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"COTTON BELT ROUTE."

St. Louis Southwestern

RAILWAY COMPANY.

(Including the St. Louis Southwestern Railway Co. of Texas and the Tyler Southeastern Railway Co.)

FIRST ANNUAL REPORT

TO THE

Directors and Stockholders

FOR THE

YEAR ENDING JUNE 30, 1892.

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DIRECTORS

ELECTED MAY, 1892.

ST. LOUIS SOUTHWESTERN RAILWAY COMPANY.

S. W. FORDYCE	*St. Louis.*
EDWIN GOULD	*New York City.*
W. B. DODDRIDGE	*St. Louis.*
THOS. T. ECKERT	*New York City.*
ROBERT MOORE	*St. Louis.*
A. L. WOLFF	*St. Louis.*
WINSLOW S. PIERCE	*New York City.*
M. GERNSHEIM	*New York City.*
R. M. GALLOWAY	*New York City.*

ST. LOUIS SOUTHWESTERN RAILWAY COMPANY OF TEXAS.

S. W. FORDYCE	*St. Louis, Mo.*
W. W. SELEY	*Waco, Tex.*
TOM RANDOLPH	*Sherman, Tex.*
J. A. EDSON	*Tyler, Tex.*
EDWIN GOULD	*New York City.*
WINSLOW S. PIERCE	*New York City.*
R. M. GALLOWAY	*New York City.*
JAS. GARRITY	*Corsicana, Tex.*
JNO. R. HOXIE	*Ft. Worth, Tex.*

TYLER SOUTHEASTERN RAILWAY COMPANY.

A. H. SWANSON	*Corsicana, Tex.*
HOWARD GOULD	*New York City.*
GUY PHILLIPS	*New York City.*
T. F. MURCHISON	*Athens, Tex.*
J. P. DOUGLAS	*Tyler, Tex.*
WILLARD FISHER	*Dallas, Tex.*
W. S. MALLETT	*New York.*

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GENERAL OFFICERS.

ST. LOUIS SOUTHWESTERN RAILWAY COMPANY.

S. W. FORDYCE, President	*St. Louis, Mo.*
EDWIN GOULD, Vice-President	*New York City.*
WINSLOW S. PIERCE, General Counsel	*New York City.*
W. B. DODDRIDGE, General Manager	*St. Louis, Mo.*
S. C. JOHNSON, General Auditor	*St. Louis, Mo.*
J. C. OTTESON, Secretary	*New York City.*
G. K. WARNER, Treasurer	*St. Louis, Mo.*
A. S. DODGE, Freight Traffic Manager	*St. Louis, Mo.*
E. W. LABEAUME, General Passenger and Ticket Ag't.	*St. Louis, Mo.*

ST. LOUIS SOUTHWESTERN RAILWAY COMPANY OF TEXAS.

S. W. FORDYCE, President	*St. Louis, Mo.*
EDWIN GOULD, First Vice-President	*New York City.*
J. A. EDSON, Second Vice-President	*Tyler, Tex.*
R. D. COBB, Auditor	*Tyler, Tex.*
T. G. HODGE, Secretary	*Tyler, Tex.*
J. W. HOGAN, Treasurer	*Tyler, Tex.*
W. B. GROSECLOSE, General Freight Agent	*Tyler, Tex.*
W. H. WINFIELD, General Passenger Agent	*Tyler, Tex.*

TYLER SOUTHEASTERN RAILWAY COMPANY.

WILLARD FISHER, President	*Dallas, Tex.*
VICTOR MORAWETZ, Vice-President	*New York City.*
R. D. COBB, Auditor	*Tyler, Tex.*
J. P. DOUGLAS, Secretary	*Tyler, Tex.*
H. H. ROWLAND, Treasurer	*Tyler, Tex.*
J. W. HOGAN, Assistant Treasurer	*Tyler, Tex.*
J. A. EDSON, Superintendent	*Tyler, Tex.*
W. B. GROSECLOSE, General Freight Agent	*Tyler, Tex.*
W. H. WINFIELD, General Passenger Agent	*Tyler, Tex.*

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FIRST ANNUAL REPORT

"COTTON BELT ROUTE."

St. Louis Southwestern Railway Co.

OFFICE OF THE PRESIDENT.

ST. LOUIS, September 1st, 1892.

TO THE BOARD OF DIRECTORS AND STOCKHOLDERS OF THE ST. LOUIS SOUTHWESTERN RAILWAY CO.:

I herewith submit the First Annual Report of the St. Louis Southwestern Railway Company's System for the fiscal year ending June 30th, 1892.

Very Respectfully,

S. W. FORDYCE,
President.

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First Annual Report

"COTTON BELT ROUTE."

St. Louis Southwestern Railway Co.

OFFICE OF THE GENERAL MANAGER.

St. Louis, Mo., September 1st, 1892.

To the President
of the St. Louis Southwestern Railway Company:—

The following report of the operations of the property owned and controlled by this Company, showing the financial and physical condition of the same, and containing comparative analytical data for the fiscal year ending June 30th, 1892, is respectfully submitted.

Special attention is called to the fact that comparisons of results for the fiscal year ending June 30th, 1892, are made against the results of operation of the Receivers of the St. Louis, Arkansas and Texas Railway Companies, who were in control of the property until June 1st, 1891, the date on which it was turned over to the St. Louis Southwestern Railway Company.

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The MILEAGE of the Entire System, June 30th, 1892, was as follows:

	Main Track.	Side Track.	Total.
ST. LOUIS SOUTHWESTERN RAILWAY COMPANY—			
Main Line	418.	93.5	511.5
New Madrid Branch	5.7	.2	5.9
Delta Branch	51.4	7.9	59.3
Little Rock Branch	40.8	3.9	44.7
Magnolia Branch	6.4	.6	7.0
Shreveport Branch	59.5	6.7	66.2
Total	581.8	112.8	694.6
ST. LOUIS SOUTHWESTERN RAILWAY COMPANY OF TEXAS—			
Main Line	304.6	44.6	349.2
Sherman Branch	109.9	12.4	122.3
Ft. Worth Branch	97.2	13.5	110.7
Hillsboro Branch	40.0	3.6	43.6
Total	551.7	74.1	625.8
TYLER SOUTHEASTERN RAILWAY COMPANY—			
Main Line	88.6	7.9	96.5
ENTIRE SYSTEM	1,222.1	194.8	1,416.9

EXTENSIONS.

The "Argenta Extension" or connection between the Little Rock Branch of this line and the Main Line of the St. Louis, Iron Mountain & Southern Railway, at Argenta, was completed in June, 1892. This connection involved the taking up of 3,374 feet, and the laying of 8,269 feet of track, making a net addition of 4,895 feet, or nine-tenths (.9) of a mile, which is not included in above statement, but was added to the Main Line operated mileage, July 1st, 1892. No further extensions were constructed during the year.

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FINANCIAL EXHIBITS.

INCOME (PROFIT AND LOSS) ACCOUNT—ENTIRE SYSTEM.

YEAR ENDING JUNE 30TH, 1892.

[NOTE—See Appendix for Income Account of each Company separately.]

GROSS EARNINGS—		
Freight	$3,551,966 60	
Passenger—Local	568,316 67	
Passenger—Foreign	285,722 76	
Mail	103,383 07	
Express	71,394 11	
Telegraph	6,223 97	
Miscellaneous	49,454 66	$4,636,461 84
OPERATING EXPENSES—		
Conducting Transportation	$1,292,893 34	
Motive Power	918,387 76	
Maintenance of Cars	261,555 25	
Maintenance of Way	1,131,242 60	
General Expenses	220,215 42	$3,824,294 37
Net Earnings		$812,167 47
Add—		
Miscellaneous Income		$125,099 05
Total Income		$937,266 52
Deduct—		
Taxes Accrued	$107,326 22	
Accrued Interest on First Mortgage Bonds (4 per cent)	800,000 00	
Other Deductions	10,247 82	$917,574 04
Surplus from Operation for year ending June 30th, 1892		$19,692 48
ADD—		
Balance to credit of Income Account July 1st, 1891, viz:		
Surplus funds received from the Reorganization Committee	$ 675,000 00	
Less—Deficit from operation from date on which companies making this report commenced to operate property, viz: June 1st, 1891, to June 30th, 1891	122,501 98	$552,498 02
Balance to credit of Income Account as per Financial Exhibit (page 9), June 30th, 1892		$572,190 50
RATIO OF OPERATING EXPENSES TO GROSS EARNINGS—		
Excluding Taxes		.8248
Including Taxes		.8480

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FINANCIAL EXHIBIT (CONDENSED BALANCE SHEET)—ENTIRE SYSTEM.

JUNE 30TH, 1892.

[NOTE.—See Appendix for Financial Exhibit of each Company separately.]

ASSETS.

Cost of Road and Equipment		$ 65,075,680 59
Construction Accounts		20,722 81
Real Estate		27,327 95
Investments in Bonds		26,500 00
Advances to Sundry Agents to be accounted for		25,502 14
Current Assets, viz.:		
Cash	$ 146,782 77	
Sundry Accounts Collectible	187,385 56	
Supplies and Material on hand	232,352 32	
First Mortgage Bonds St. Louis Southwestern Railway Company in Treasury (par value)	500,000 00	1,066,520 65
Receivers St. Louis, Arkansas & Texas Railway in Arkansas and Missouri, General Account		65,317 79
Receivers St. Louis, Arkansas & Texas Railway in Texas, General Account		238,055 24
Total		$66,545,627 17

LIABILITIES.

Capital Stock—		
Preferred	$ 20,000,000 00	
Common	16,509,000 00	$36,509,000 00
Bonds—		
First Mortgage (4 per cent)	$ 20,000,000 00	
Second Mortgage Income (4 per cent)	8,000,000 00	28,000,000 00
Equipment Trust Notes (not due)		521,688 52
Current Liabilities, viz.:		
Interest on Bonds—due and accrued	$ 155,233 33	
Sundry Accounts Payable	770,023 56	925,256 89
Miscellaneous Accounts		17,491 26
Balance to credit of Income (Profit and Loss) Account, June 30th, 1892, as per detailed exhibit on page 8		572,190 50
Total		$66,545,627 17

Following this will be found explanations or detailed exhibits of the various accounts composing the Income Account and the Financial Exhibit (Condensed Balance Sheet:)

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EARNINGS.

Entire System.	Year Ending June 30, 1892.	Year Ending June 30, 1891.	Increase.	Decrease.
Miles Operated.	1,222.1	1,222.1		
Freight	$ 3,551,966 60	$ 3,290,721 73	$ 261,244 87	
Passenger	854,039 43	856,146 07		$ 2,106 54
Mails	103,383 07	85,783 81	17,599 26	
Express	71,394 11	61,849 97	9,544 14	
Telegraph	6,223 97	6,034 99	188 98	
Miscellaneous	49,454 66	23,118 93	26,335 73	
Total	$ 4,636,461 84	$ 4,323,655 50	$ 312,806 34	
Earnings per mile of road	3,793 85	3,537 89	255 96	

EXPENSES.

Conducting Transportation	$ 1,292,893 34	$ 1,458,297 13		$ 165,403 79
Motive Power	918,387 76	1,053,836 16		135,448 40
Maintenance of Way	1,131,242 60	1,927,459 45		796,216 85
Maintenance of Cars	261,555 25	293,541 15		31,985 90
General Expenses	220,215 42	116,521 36	$ 103,694 06	
Total	$ 3,824,294 37	$ 4,849,655 25		$ 1,025,360 88
Expense per mile of road	3,129 28	3,968 30		839 02

NET EARNINGS.

		Deficit.		
Net Earnings	$ 812,167 47	$ 525,999 75	$1,338,167 22	
Per cent to Gross Earnings	.1752	Deficit.		
Net Earnings per mile of road	$664 57	Deficit.		

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BETTERMENTS (INOLUDED IN OPERATING EXPENSES).

Entire System.	Year Ending June 30, 1892.	Year Ending June 30, 1891.	Increase.	Decrease.
Conducting Transportation	$ 5,257 30	$ 28,624 48		$ 23,367 18
Motive Power	3,102 43	51,864 00		48,761 57
Maintenance of Cars		11,808 56		11,808 56
Maintenance of Way	120,906 98	996,862 79		875,955 81
Total	$ 129,266 71	$ 1,089,159 83		$959,893 12

The several items composing the Expenditure for Betterments during the year ending June 30, 1892, are as follows:

CONDUCTING TRANSPORTATION—		
New Station Buildings and Platforms	$ 1,063 23	
New Eating House at Jonesboro (half interest)	2,562 99	
Changing Location Depot at Paragould	1,631 08	$ 5,257 30
MOTIVE POWER—		
New Turntable, Fair Oaks	$ 804 91	
New Lathe, Pine Bluff Shops	2,297 52	$ 3,102 43
MAINTENANCE OF WAY—		
Arkansas River—New Iron Bridge	$60,477 75	
Ouachita River—New Iron Bridge	21,303 26	
St. Francis River—New Iron Bridge	1,761 81	
South Bosque River—New Iron Bridge	8,642 42	
Macadamizing Mary Street, Waco	5,888 81	
Changing Location and Extension of Tracks, Paragould	3,598 92	
Grading, etc., Fair Oaks	5,385 96	
Grading and Widening Embankments at South approach to Arkansas River Bridge	2,289 08	
Engineering Expenses, Cost of Special Surveys	2,753 11	
Material for Construction of an Exclusive Railroad Wire, Bird's Point to Pine Bluff, and Tyler to Waco	8,805 86	$120,906 98
Total		$129,266 71

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CLASSIFICATION OF GROSS EARNINGS AND EXPENSES PER MILE OF ROAD.

Entire System.	Year Ending June 30, 1892.	Year Ending June 30, 1891.	Increase.	Decrease.
Miles Operated.	1,222.1	1,222.1		
EARNINGS—				
Freight	$ 2,906 45	$ 2,692 68	$ 213 77	
Passenger	698 83	700 55		$ 1 72
Mail	84 59	70 19	14 40	
Express	58 42	50 61	7 81	
Telegraph	5 09	4 94	15	
Miscellaneous	40 47	18 92	21 55	
Total	$ 3,793 85	$ 3,537 89	$ 255 96	
EXPENSES—				
Conducting Transportation	1,057 93	$ 1,193 27		$ 135 34
Motive Power	751 48	862 31		110 83
Maintenance of Way	925 66	1,577 17		651 51
Maintenance of Cars	214 02	240 19		26 17
General Expenses	180 19	95 34	84 85	
Total	$ 3,129 28	$ 3,968 28		$ 839 00

INTEREST ON BONDS.

The semi-annual interest on First Mortgage four per cent bonds was paid as it became due, as follows:

Coupon No. 2, due November 1st, 1891	$400,000 00
Coupon No. 3, due May 1st, 1892	400,000 00

TAXES.

	Taxes Paid Year 1891.	Taxes Paid Year 1890.	Increase.	Decrease.
Missouri	$ 9,655 00	$ 8,257 13	$1,397 87	
Arkansas	49,985 31	47,284 68	2,700 63	
Louisiana	2,623 08	3,203 88		$580 80
Texas	47,140 95	44,111 03	3,029 92	
Total	$109,404 34	$102,856 72	$6,547 62	

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On June 1st, 1892, the office of Land and Tax Commissioner was abolished, and the business formerly transacted by that official has been transferred to the Legal and Accounting Departments.

COST OF ROAD AND EQUIPMENT—ENTIRE SYSTEM.

JUNE 30TH, 1892.

ORIGINAL COST:—		
Capital Stock—		
Preferred	$20,000,000 00	
Common	16,509,000 00	$36,509,000 00
Bonds—		
First Mortgage	$20,000,000 00	
Second Mortgage Income	8,000,000 00	28,000,000 00
Equipment Trust Notes—		
Series "A 1"	$299,919 78	
Series "A 37"	277,577 41	577,497 19
		$65,086,497 19
Deduct—Cost of real estate in Little Rock (not used for Railroad purposes) carried as an Investment in a separate and distinct account, styled "Real Estate in Little Rock" (see page 14)		27,327 95
Total Original Cost		$65,059,169 24
CHARGES DURING YEAR ENDING JUNE 30TH, 1892—		
Right-of-Way Settlements	$ 1,802 15	
New Equipment (Freight cars built)	14,709 20	16,511 35
		$65,075,680 59

CONSTRUCTION ACCOUNT.

On August 22d, 1891, the construction of the Argenta Extension was commenced. This track was built to a point near the St. Louis, Iron Mountain & Southern Railway, at Baring Cross, Arkansas, and a track connection made with that line. This Extension involved the taking up of 3,374 feet,

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and the laying of 8,269 feet of track, making a net addition of 4,895 feet, or nine-tenths of a mile, in the operated mileage, as explained on page 7. The total cost of this Extension was $20,722.81, which was paid for out of current assets. No additional bonds were issued covering this additional track.

REAL ESTATE IN LITTLE ROCK, ARKANSAS.

This property is located on Rector avenue and Sherman street, in Little Rock, Arkansas. It was purchased in the latter part of 1887 by the St. Louis, Arkansas & Texas Railway Company, when the Little Rock Branch was being built, to be used as terminal facilities. Owing to the difficulty in obtaining an entrance into Little Rock, and for other reasons, the property has never been used for that purpose. The original cost was $25,800. There are several small houses on the property, from which an annual rental of about $600 is received. Since it was purchased $1,527.95 has been expended for repairs to these houses.

INVESTMENTS.

First Mortgage Bonds of the Paragould & Buffalo Island Railway.

The Paragould & Buffalo Island Railway connects with this line at Paragould, Arkansas, and is about ten miles in length. During the construction of the road, in the year 1888, the St. Louis, Arkansas & Texas Railway Company furnished it a large quantity of second-hand thirty-five-pound steel rails that had been released from its track, and replaced by new fifty-six-pound steel rails, together with fastenings therefor, and some equipment. In settlement, the St. Louis,

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Arkansas & Texas Railway Company accepted First Mortgage Bonds of the Paragould & Buffalo Island Railway, bearing seven per cent interest in the principal amount of $25,000, the interest payable semi-annually, January 28th and July 28th. These bonds were received from the Receivers of the St. Louis, Arkansas & Texas Railway Company as a part of the assets of the property purchased by this Company. The bonds were issued July 28th, 1888, in two series, namely: twenty bonds of $1,000 each, and ten of $500 each. Two of the $1,000 bonds and one of the $500 bonds were due July 28th, 1890; two more of the $1,000 bonds and one of the $500 bonds were due on July 28th, 1891, and so on, for each year, until July, 1898, when the last four of the 1,000 bonds and the last two of the $500 bonds become due. It will thus be seen that bonds to the amount of $7,500 have become due, but none of them have been paid, neither has the interest due on January 28th, 1892, and July 28th, 1892, amounting in the aggregate to $1,750, been paid. All interest that matured prior to January 28th, 1892, however, was promptly paid.

FIRST MORTGAGE BONDS OF THE GULF & SHIP ISLAND RAILWAY.

These bonds also form a part of the assets of the St. Louis, Arkansas & Texas Railway Company turned over to this Company by the Receivers when the property was purchased. The following is a brief history as to how they were acquired by the St. Louis, Arkansas & Texas Railway Company: The Gulf & Ship Island Railway extends from Ripley to Pontotock, Miss. In May and June, 1887, the St. Louis, Arkansas & Texas Railway Company sold to the Union Investment Company of New York, second-hand thirty-five-pound

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rails to the value of $15,000, to be used in the construction of the Gulf & Ship Island Railway. In settlement for these rails, the Union Investment Company of New York gave its note, secured by $15,000 worth of First Mortgage Bonds of the Gulf & Ship Island Railway. The Union Investment Company became insolvent, and was placed in the hands of a Receiver. The note, when due, was protested. The collateral security of $15,000 worth of First Mortgage Bonds of the Gulf & Ship Island Railway was advertised for sale, according to law, and the bonds were bid in by the St. Louis, Arkansas & Texas Railway Company for $1,500. Suit has been entered on behalf of the St. Louis, Arkansas & Texas Railway Company, against the Gulf & Ship Island Railway. Judgment was obtained against that Company, amounting to $12,000, which has not yet been paid. Suit has also been entered against the Union Investment Company. The Legal Department advise that distribution of certain assets of the Union Investment Company will be made in the near future, at which time this Company will receive its pro rata proportion along with other creditors.

ADVANCES TO SUNDRY AGENTS TO BE ACCOUNTED FOR.

This account is composed of loss, damage and overcharge claims, paid by agents of this Company in protection of bills of lading, etc. A large portion of the payments made in settlement of overcharge claims are for errors in back charges, or other roads' proportion of the freight charges, and hence a large proportion of the amount carried in this account will be collected back from connecting lines. All of the claims representing this account are in process of investigation and adjustment.

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CURRENT ASSETS AND CURRENT LIABILITIES—ENTIRE SYSTEM.

JUNE 30TH, 1892.

CURRENT ASSETS.

CASH—		
In Treasury	$ 41,962 39	
In Transit, Account Agents	50,959 76	
A. C. Bates, Paymaster	7,427 77	
Central Trust Co. of New York—Coupon Account	21,900 00	
New York Office	24,532 85	$ 146,782 77
SUNDRY ACCOUNTS COLLECTIBLE—		
Station Agents and Conductors	$ 42,697 91	
Foreign Roads—Freight, Ticket and Mileage Accounts	37,285 85	
Bills Receivable	7,852 96	
U. S. Post Office Department	25,844 34	
Pacific Express Co	6,000 00	
Superintendent of Telegraph	454 31	
Individuals and Companies—Open Acc'ts	67,250 19	187,385 56
SUPPLIES AND MATERIAL ON HAND—		
Shop Supplies	$ 116,142 69	
Fuel	24,924 79	
Bridge and Building Material	16,833 90	
Cross Ties	17,984 59	
Steel Rails—New	2,007 17	
Second-hand Rails	30,058 78	
Narrow Gauge Locomotives—Dismantled, Subject to Sale	18,937 01	
Stationery Stock	5,463 39	232,352 32
First Mortgage Bonds St. Louis Southwestern Railway Co. in Treasury (Par value)		500,000 00
Total Current Assets		$1,066,520 65

CURRENT LIABILITIES.

INTEREST ON BONDS—		
Due and Unpaid (Unpresented Coupons—Money to Pay on Deposit with Central Trust Co. of New York)	$ 21,900 00	
Accrued, not due	133,333 33	$ 155,233 33
SUNDRY ACCOUNTS PAYABLE—		
Audited Vouchers and Pay Rolls Prior to June 1st, 1892	$ 158,520 36	
Audited Vouchers and Pay Rolls June, 1892—Not Payable until July 20th, 1892	288,343 50	
Bills Payable	270,261 30	
Taxes Year 1892 (accrued, not due)	52,898,40	770,023 56
Total Current Liabilities		$ 925,256 89
Balance of Current Assets in Excess of Current Liabilities		$ 141,263 76

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RECEIVERS OF THE ST. LOUIS, ARKANSAS & TEXAS RAILWAY COMPANY IN ARKANSAS AND MISSOURI, GENERAL ACCOUNT,

AND

RECEIVERS OF THE ST. LOUIS, ARKANSAS & TEXAS RAILWAY COMPANY IN TEXAS, GENERAL ACCOUNT.

These accounts represent the amount of the Receivers' Current Liabilities, assumed and paid, less the amounts of the Receivers' Current Assets received to June 30th, 1892, by the St. Louis Southwestern Railway Company. The liabilities represent, in the main, current accounts not settled by the Reorganization Committee, but which were ordered paid by the United States Courts having jurisdiction in the foreclosure proceedings under which the property was purchased.

CAPITAL STOCK—ENTIRE SYSTEM.

JUNE 30TH, 1892.

Description.	Number of Shares Authorized.	Par Value of Shares.	Total par Value Authorized.	Total Amount Issued and Outstanding.
Preferred.....	200,000	$100 00	$20,000,000 00	$20,000,000 00
Common	165,090	100 00	16,509,000 00	16,509,000 00
	365,090	.....	$36,509,000 00	$36,509,000 00

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BONDS—ENTIRE SYSTEM.

JUNE 30TH, 1892.

	Time.		Amount of Authorized Issue.	Amount Issued.	Amount Outstanding.	Interest.	
	Date of Issue.	When Due.				Rate.	When Payable.
First Mortgage.....	Nov. 1, 1890	Nov. 1, 1989	$20,000,000 00	$20,000,000 00	$20,000,000 00	4%	May and November
Second Mortgage, Income	Nov. 1, 1890	Nov. 1, 1989	10,000,000 00	8,000,000 00	8,000,000 00	4%	January and July.
			$30,000,000 00	$28,000,000 00	$28,000,000 00		

EQUIPMENT TRUST NOTES.

In 1886 and 1888, the St. Louis, Arkansas & Texas Railway Company purchased from Post, Martin & Co., a large quantity of rolling stock which was paid for, partly in cash and partly in notes, called "Equipment Trust Notes." Contracts were executed between the Railway Company and Post, Martin & Co., by the terms of which it was agreed that the equipment should be considered as leased by the Railway Company, until the notes had been fully paid, at which time the equipment would become the property of the Railway Company. The original amount of these notes was $2,025,717.65; of this amount $259,103.37 was paid by the St. Louis, Arkansas &

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Texas Railway Company, and $1,189,117.09 was settled by the Reorganization Committee, leaving a balance of $577,497.19 still due, which was assumed by the St. Louis Southwestern Railway Company. During the year ending June 30th, 1892, $55,808.67 was paid by this Company, leaving a balance of $521,688.52 due on June 30th, 1892. These notes mature during the period of about six years, the last note being due October 1st, 1898. No provision has been made for the payment of this liability other than out of current assets.

TRAFFIC.

FREIGHT TRAFFIC.

TONNAGE AND REVENUE—ENTIRE SYSTEM.

	Year Ending June 30, 1892.	Year Ending June 30, 1891.	Increase.
Number of Tons carried	1,302,580	1,252,978	49,602
Number of Tons carried one Mile	270,433,058	251,647,375	18,785,683
Average Distance Haul of one Ton (miles)	207.61	200.84	6.77
*Total Freight Revenue	$3,551,966 60	$3,290,721 73	$261,244 87
*Average Revenue per Ton	$2.7269	$2.6263	$0.1006
*Average Revenue per Ton per Mile	$0.0131	$0.0131	

*Actual Revenue derived from hauling Freight, not including any portion of Miscellaneous Earnings.

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CLASSIFICATION OF TONNAGE—ENTIRE SYSTEM.

Commodities.	Year Ending June 30, 1892.		Year Ending June 30, 1891.		Increase,	Decrease,
	Per Cent.	Tons.	Per Cent.	Tons.	Tons.	Tons.
Lumber	51.2	668,872	49.9	625,488	43,384	
Cotton	08.8	114,215	07.9	98,269	15,946	
Grain	04.3	56,289	06.6	82,808		26,519
Flour	02.9	37,221	02.9	35,703	1,518	
Other Mill Products	01.0	13,168	01.5	19,295		5,627
Hay	01.4	17,961	01.6	19,889		1,928
Tobacco	00.1	447	00.0	297	150	
Vegetables	00.8	10,831	00.5	5,737	5,094	
Live Stock	01.4	17,783	01.1	14,171	3,612	
Bacon	01.2	15,607	01.3	16,758		1,151
Merchandise	05.2	68,148	05.7	71,206		3,058
Coal	05.8	75,165	05.3	65,925	9,240	
Oil	01.6	21,235	01.5	19,238	1,997	
Sugar	00.4	5,213	00.2	2,139	3,074	
Agricultural Implements	00.2	2,002	00.2	2,650		648
Emigrant Outfit	00.5	6,227	00.6	7,930		1,703
Cotton Seed Products	04.1	53,530	03.2	39,985	13,045	
Salt	00.7	9,081	00.7	8,767	314	
Wine, Liquors and Beer	00.7	9,323	00.5	5,983	3,340	
Miscellaneous	07.7	100,262	08.8	110,740		10,478
Total	100.0	1,302,580	100.0	1,252,978	100,714	51,112
				Net Increase	49,602	

The freight traffic shows a fair increase over the previous year, which is mainly attributable to the improved physical condition of the property. Had it not been for the following

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reasons, this showing could, and would have been much better than it is:

First—Our inability to command sufficient cars to take care of the business offering during the busy season. In consequence of this shortage, a number of suits were filed against the Company for damages, aggregating seventy-five thousand dollars, for failure to supply equipment at various saw-mills in Arkansas. We expect to defeat the suits.

Second—The Railway Commission of Texas, while only having jurisdiction over rates within the State, yet by reductions from established basing points, such as Houston and Galveston, forced reductions in interstate rates. Since the close of the fiscal year, the suit against the Texas Commission has resulted in an injunction against them, and steps have been taken to restore old rates.

Third—The instability of rates during the past year to and from the Southwest, brought about by competition between the several lines, eager for the traffic.

Fourth—The general depression resulting from the low price of cotton. Our reports of the growing cotton crop indicate somewhat reduced acreage, brought about partly by the low prices of last year, but mainly by the extraordinary floods of the past spring, particularly in Arkansas. With a late fall, we can hope that this loss will be partly regained; but with an early fall the shortage will be materially felt.

In Texas the oat and corn crops are better than ever before, and will be the source of some revenue to us.

The development of the lumber industry on our lines is steadily growing.

PASSENGER TRAFFIC.

REVENUE AND PASSENGERS CARRIED—ENTIRE SYSTEM.

	Year Ending June 30, 1892.	Year Ending June 30, 1891.	Increase.	Decrease.
Number of Passengers carried..	833,293	866,434	.....	33,141
Number of Passengers carried one Mile.....	33,131,148	34,193,120	.....	1,061,972
Average Distance one Passenger carried (Miles).....	39.76	39.46	.30	.....
*Total Passenger Revenue.....	$ 854,039 43	$ 856,146 07	.....	$ 2,106 64
*Average Revenue per Passenger.....	$ 1.0249	$ 0.9881	$ 0.0368	.....
*Average Revenue per Passenger per Mile.....	$ 0.0258	$ 0.0250	$ 0.0008	.....

*Actual Revenue derived from hauling Passengers, not including Mail and Express or any portion of Miscellaneous Earnings.

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Classification of Passengers and Passenger Revenue— Entire System.

	Year Ending June 30, 1892.	Year Ending June 30, 1891.	Increase.	Decrease.
Passengers Carried—				
Local Tickets	653,822	689,429		35,607
Cash Fares	115,757	119,847		4,090
Home Coupon Tickets	25,074	28,789	1,385	
Foreign Coupon Tickets	38,640	33,419	5,221	
Total	833,293	866,434		33,141
Passengers Carried One Mile—				
Local Tickets	18,405,094	19,555,366		1,150,272
Cash Fares	1,583,701	1,517,667	66,034	
Home Coupon Tickets	4,496,328	4,655,250		158,922
Foreign Coupon Tickets	8,646,025	8,464,837	181,188	
Total	33,131,148	34,193,120		1,061,972
Passenger Revenue—				
Local Tickets	$518,846 34	$549,974 43		$31,128 09
Cash Fares	50,066 52	48,464 90	$ 1,601 62	
Home Coupon Tickets	98,143 43	93,107 42	5,036 01	
Foreign Coupon Tickets	186,963 14	164,599 32	22,383 82	
Total	$854,039 43	$856,146 07		$2,106 64
Revenue per Passenger—				
Local Tickets	$0 7936	$0 7977		$0 0041
Cash Fares	0 4325	0 4044	$0 0281	
Home Coupon Tickets	3 9141	3 9221		0 0080
Foreign Coupon Tickets	4 8391	4 9258		0 0862
Total	$1 0249	$0 9881	$0 0368	
Revenue per Passenger per Mile—				
Local Tickets	$0 0282	$0 6281	$0 0001	
Cash Fares	0 0316	0 0319		$0 0003
Home Coupon Tickets	0 0218	0 0200	0 0018	
Foreign Coupon Tickets	0 0216	0 0194	0 0022	
Total	$0 0258	$0 0250	$0 0008	

Note.—The above results are based on actual Revenue derived from hauling Passengers not including Mail and Express or any portion of Miscellaneous Earnings.

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The decrease appearing in the local passenger revenue, as compared with the same revenue for the preceding twelve months, arises from the adverse local conditions which prevailed in the States of Arkansas and Texas during the period affected, to wit:

The low price of cotton brought about a stringency, felt more or less by all classes of population in the cotton growing States which necessarily restricted local travel, and the disastrous floods of the White, Red and Arkansas rivers, exceeding in area of inundation all previous overflows since the year 1844

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CONDUCTING TRANSPORTATION.

Mileage and Car Service Statistics—Entire System.

Freight.	Year Ending June 30, 1892.	Year Ending June 30, 1891.	Increase.	Decrease.
Trains Run	19,419	20,311		892
Loaded Cars Moved	275,486	270,144	5,342	
Empty Cars Moved	98,576	119,009		20,433
Total Cars Moved	374,062	389,153		15,091
Train Mileage	1,892,895	1,946,287		53,392
Miles Run by Loaded Cars	27,167,844	26,523,238	644,606	
Miles Run by Empty Cars	9,628,963	11,625,117		1,996,154
Total Car Mileage	36,796,807	38,148,355		1,351,548
Miles Run by Foreign Cars	18,342,672	20,031,932		1,689,260
Miles Run by Local Cars	18,454,135	18,116,423	337,712	
Average Number of Trains Daily	53.06	55.64		2.58
Average Number of Cars Moved Daily	1,022.03	1,066.17		44.14
Average Number of Loaded Cars in Each Train	12.97	12.38	.59	
Average Number of Empty Cars in Each Train	4.59	5.42		.83
Average Number of All Cars in Each Train	17.56	17.80		.24
Average Daily Train Mileage	5,171.84	5,332.29		160.45
Average Miles Run by Each Train	97.47	95.83	1.64	
Average Mileage Loaded Cars in Each Train	1,399.03	1,305.85	93.18	
Average Mileage Empty Cars in Each Train	495.85	572.35		76.50
Average Mileage All Cars in Each Train	1,894.88	1,878.20	16.68	
Percentage of Empty Car Mileage	26.17	30.47		4.30
Mileage Per Car Per Day—Local	18.77	15.23	3.54	
Mileage Per Car Per Day—Foreign	22.78	18.91	3.87	
Mileage Per Car Per Day—This Company's Cars on Foreign Roads	17.93	16.58	1.35	

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MILEAGE AND CAR SERVICE STATISTICS—ENTIRE SYSTEM—*Continued.*

Passenger.	Year Ending June 30, 1892.	Year Ending June 30, 1891.	Increase.	Decrease.
Trains Run	6,802	6,712	90	
Cars Moved	27,101	25,998	1,108	
Train Mileage	1,103,351	1,124,201		20,850
Car Mileage	5,218,899	5,091,593	127,306	
Trains Run Daily	18.58	18.39	.19	
Cars Moved Daily	74.04	71.21	2.83	
Cars Moved in Each Train	3.99	4.59		.60
Average Daily Train Mileage	3,014.62	3,080.00		65.38
Average Miles Run by Each Train	162.25	167.48		5.23
Average Miles Run by Cars Daily	14,259.29	13,949.57	309.72	
Mileage Per Car Per Day—Local	192.59	195.89		3.30
Mileage Per Car Per Day—Foreign	268.48	259.22	9.26	

The following table shows the amount earned by the St. Louis Southwestern Railway Co.'s freight cars on foreign roads and the amount paid for mileage of foreign freight cars on this line during the year ending June 30th, 1892, compared with the year ending June 30th, 1891:

	Year Ending June 30, 1892.	Year Ending June 30, 1891.	Increase.	Decrease.
Amount Earned by Foreign Freight Cars on St. L. S.-W. Ry.	$ 135,176 08	$ 137,314 69		$ 2,138 61
Amount Earned by St. L. S.-W. Freight Cars on Foreign Roads	81,713 69	49,859 33	$ 31,854 36	
Net Balance due Foreign Roads	$ 53,462 39	$ 87,455 36		$ 33,992 97

The above shows a very gratifying result in the saving of $33,992.97, as compared with preceding year on account of the exchange of freight cars with foreign lines, and the mileage of refrigerator and private line cars.

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The operating results in this Department, during the year, have been fairly satisfactory, taking into consideration existing circumstances and conditions.

The principal Northern junction point and most profitable gateway for the through freight traffic of this Company's lines is via Cairo, Ill., where connection is made with the Illinois Central Railroad Company, the Big Four Railroad Company, and the Mobile & Ohio Railroad Company.

The St. Louis Southwestern Railway Company's rail line terminates at a point in Missouri on the West bank of the Mississippi river, opposite and a little above the mouth of the Ohio river, known as Bird's Point Station.

The Company has at Bird's Point a fairly good yard, a transfer shed, and an incline and tracks, used for loading cars on the transfer steamers.

The traffic of the line handled at Bird's Point, both freight and passenger, is transferred by steamers in cars, between Bird's Point Station and Cairo, Illinois.

The distance covered by river transfer varies from two to six miles, according to the circumstance of a high or a low stage of water.

September 28th, 1891, the stage of water in the Ohio and Mississippi rivers became so low as to seriously impede transfer operations between Cairo and Bird's Point, continuing for a period of thirty days, resulting in a blockade of cotton in cars at Bird's Point.

October 23d, 1891, a fire broke out in the Bird's Point transfer shed, completely destroying that structure, together with seventy-one loaded box cars, contents mainly cotton. The Company was protected by insurance to the extent of the

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destruction caused by this fire; however, several hundred loaded cars were for a time jeopardized.

From January 10th, 1892, to January 20th, the Mississippi river was blocked with ice, again impeding transfer operations.

April 24th, 1892, to May 2d, 1892, the main track into Bird's Point was submerged, by overflow from floods in the Ohio and Mississippi rivers. Traffic via this Company's line into Bird's Point entirely suspended.

NOTE.—St. Louis Southwestern Railway Company's main line is submerged by overflow near Bird's Point, when the stage of water reaches forty-six feet on the Government gauge at Cairo. The main track through the Bird's Point Yard submerges at forty-nine feet.

The following statement shows the maximum flood marks at Cairo the past ten years:

1882	1883	1884	1885	1886	1887	1888	1889	1890	1891	1892
51.10	52.10	51.10	39.00	51.00	48.06	45.3	34.5	48.8	46.2	48.2

July 10th, 1891, a contract was entered into with the Illinois Central Railroad Company for the use of its terminal facilities at Cairo. On the same date, a joint arrangement was made with the St. Louis, Iron Mountain & Southern Railway Company, for the use of its transfer steamers between Bird's Point and Cairo.

The expense of this transfer service for the year ending June 30th, 1891, was $110,959.86; the expense under the new arrangement for the year ending June 30th, 1892, was $66,213.48; showing a net saving to the Company of $44,746.38.

July 10th, 1891, the St. Louis Southwestern Railway Company undertook to handle the yard and station business of the St. Louis, Iron Mountain & Southern Railway Company at Bird's Point, for which we received as compensation, for the year ending June 30th, 1892, $17,253.68.

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At other points on the line, serious interruptions to traffic occurred, in consequence of the floods of the Spring of 1892, as follows:

May 20th to May 30th, the main line between Goldman and Pine Bluff was submerged in several places. This interruption was caused by the breaking of private and public levees on the Arkansas river.

May 20th until June 9th, trains on the Little Rock Branch were partially discontinued, from the same cause.

May 27th until June 13th, traffic on the Shreveport Branch was discontinued, between Benton and Shreveport, caused by breaking of public levees on the Red river.

Considering the extraordinary character of the floods, this Company's lines passed through them with comparatively slight damage and interruption. Our main line trains were run around the obstructed portions of the road, over the tracks of our connecting lines. At the same time, our connections were using portions of our line, to overcome similar difficulties on their lines; which more than gave us an offset to the extra expense incurred for trackage.

The Pine Bluff, Monroe & New Orleans Railway Company, prior to August 25th, 1891, operated its trains from Rob Roy to Pine Bluff over the roadbed of the St. Louis Southwestern Railway Company (upon rails laid to a three-feet gauge, inside of the four-feet eight and one-half inch gauge of the St. Louis Southwestern Company). This arrangement was abandoned upon the date mentioned, and the inside rails referred to, removed. The result has shown a decrease in tonnage in connection with that line, but an increased revenue, derived from more favorable rates, in addition to doing away with the expense of maintaining six miles of narrow gauge track.

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March 3d, 1892, an arrangement was entered into with the Fort Worth & Denver City Railway Company, for trackage of the St. Louis Southwestern Railway Company's passenger trains from Hodge Station (five miles east of Ft. Worth) into Ft. Worth Union Depot.

With the opening of the Bridge spanning the Mississippi river at Memphis, an arrangement was made with the St. Louis, Iron Mountain & Southern Railway Company, to run passenger cars of the St. Louis Southwestern Railway Company into the city of Memphis, from Fair Oaks Junction over the Iron Mountain Railroad, giving the St. Louis Southwestern Company double daily passenger service between Memphis, Tenn., and Ft. Worth, Texas, without change of cars, and single daily passenger service between Memphis, Tenn., and Gatesville, Texas.

The freight traffic of the Company was seriously handicapped during the Fall months of the past year, in consequence of our inability to furnish sufficient cars to provide prompt transportation for lumber shipments.

This condition not only militated against the earnings of the road, but has the effect of discouraging the development of the forestry industries contiguous to the Company's lines.

The reason why cars cannot be obtained to meet an extraordinary stimulated movement of traffic, is: First—The St. Louis Southwestern Railway Company is limited in the number of its northern connections. Second—It produces locally nearly double the number of car-loads of freight that it receives for transportation from its connections. Third—When the business is in an active and stimulated condition in the Southwest, similar conditions prevail upon the lines from which this Company derives its surplus car equipment.

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The result of these conditions, is that the lines usually furnishing the excess of cars required, have use for their equipment more profitably at home during such periods, and for these reasons it cannot be expected that the conditions will better themselves; therefore, it becomes imperatively necessary that some means be adopted by this Company to overcome the difficulty.

I would recommend the addition of at least one thousand freight cars to the Company's equipment, of sixty thousand pounds capacity, and of the most substantial build, to meet the requirements, and stand up under the heavy class of tonnage prevailing on this Company's lines.

Without increased facilities in the direction indicated, I cannot understand how we will be able in the future to meet the increasing demands upon our lines for transportation, should the tonnage continue to grow in the future in the same ratio that it has in the past, which we hope and expect it will.

The total number of loaded cars produced upon the St. Louis Southwestern Railway Company's lines during the past year and delivered to connections was	40,668
The total number of loaded cars received from connections during the past year was	25,534
Balance of empty cars that were supplied to fill the requirements of home loading was	15,134

The rates of transportation derived from forest products are necessarily low, such rates being governed by the prices obtained by the shippers in the consuming markets, in competition with the prices of similar commodities furnished by competing producing districts.

Therefore, as a transportation proposition, to render the business profitable to the Company, costs of transportation must be reduced to a minimum. With the view of overcoming as far as possible the disadvantages under which we labor in the hire of foreign cars and empty car mileage, and the supplying

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of transportation facilities, our policy has been to stimulate as much as possible the movement of south-bound freight, especially that of a higher class.

In order to accomplish this result, the Management felt that an improvement in the time and service was necessary, and therefore during the year a fast freight service was inaugurated from Bird's Point and Delta to our principal terminals in Texas. This train has been successfully handled with satisfactory results.

While the statement of tonnage shows a falling off in merchandise, which we attribute to business depression, comparing our business with that of competing lines, we have more than held our own.

After duly considering the requirements of the service, it was decided by the Management to attempt to secure a portion of the Texas cattle trade destined to the St. Louis and Chicago markets. Therefore, early in the Spring, a soliciting organization was placed in the field in Texas, and propositions made for handling such of that class of traffic as could be secured. First-class service and time being essentially necessary to the successful accomplishment of this purpose, it was decided to arrange with the Iron Mountain Company to deliver this business to that line at Texarkana, instead of attempting to run it to Cairo. (I may here mention that all previous attempts to handle Texas cattle via Cairo by this Company have proved failures.) We secured quite a large share of the business; and as a transportation proposition it was eminently successful. The time and service were satisfactory to the shippers, and the Company met with no accidents whatever.

It is believed by the Management that in another year, the long haul on this business to our northern junction points, either Cairo or Delta, may be safely undertaken. The business should then become a line of profitable traffic to the Company.

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With an increasing passenger traffic (the decrease in local earnings from that source during the past year being of a temporary character), and the aging of the Company's passenger equipment, the addition of ten passenger cars is recommended. (For a statement of passenger equipment owned, reference is made to statement under head of Motive Power and Car Department.)

Among this passenger equipment are two narrow gauge combination car bodies on standard gauge trucks; nine narrow gauge baggage car bodies on standard gauge trucks; twelve narrow gauge coach bodies on standard gauge trucks; and four narrow gauge mail and express car bodies on standard gauge trucks. Experience has developed the fact that narrow gauge passenger car bodies on standard gauge trucks are not safe to operate in connection with standard gauge equipment, for the reason that in the event of an accident of almost any character, the narrow gauge car bodies being smaller than the standard gauge, easily telescope, rendering their use eminently dangerous to the persons of passengers and employes. In order to overcome this difficulty, we are obliged to operate the narrow gauge equipment entirely separate from the standard gauge, which under certain conditions is almost impossible, and at the same time provide proper transportation facilities for the business offered.

The policy of the Management, as at present outlined, in conducting its passenger traffic, in addition to providing transportation facilities to accommodate the local travel on all parts of its lines, is to build up a good through service between the Southeast and Southwest—through the gateways of Memphis, Tenn., in the Southeast, and Ft. Worth and Waco, Texas, in the Southwest.

The Pullman Car Service is not altogether satisfactory, and means looking to its improvement are recommended.

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MAINTENANCE OF WAY.

ROAD DEPARTMENT.

CHARACTER OF RAIL IN MAIN TRACK, JUNE 30TH, 1892—ENTIRE SYSTEM.

	56-lb. Steel.	35-lb. Steel.	Total Miles.
ST. LOUIS SOUTHWESTERN RAILWAY CO.—			
Main Line	418.	.....	418.
New Madrid Branch	.....	5.7	5.7
Delta Branch	51.4	.....	51.4
Little Rock Branch	40.8	.....	40.8
Magnolia Branch	.....	6.4	6.4
Shreveport Branch	59.5	.....	59.5
Total	569.7	12.1	581.8
ST. LOUIS SOUTHWESTERN RAILWAY CO. OF TEXAS—			
Main Line	260.8	43.8	304.6
Sherman Branch	110.0	.....	110.0
Ft. Worth Branch	97.1	.....	97.1
Hillsboro Branch	40.0	.....	40.0
Total	507.9	43.8	551.7
TYLER SOUTHEASTERN RAILWAY CO.—			
Main Line	.....	88.6	88.6
Entire Line	1077.6	144.5	1222.1

ROAD DEPARTMENT—ENTIRE SYSTEM—MAINTENANCE AND IMPROVEMENTS DURING YEAR ENDING JUNE 30TH, 1892.

Work Performed by Road Department Forces.	St. L. S.-W. Ry. Co.	St. L. S.-W. Ry. Co. of Tex.	T. S.-E. Ry. Co.	Entire System.
Miles of Track ditched by Plow	91.0	22.8	.....	113.8
Miles of Track Ballasted	35.0	16.8	.1	51.9
Miles of Track relaid with 56-lb. Steel	.8	1.0	.....	1.8
Miles of Track relaid with 35-lb. Steel	2.1	.2	.1	2.4
Miles of New Side Tracks and Extensions	7.3	3.9	2.0	13.2
Miles of Old Side Tracks taken up	.....	.9	.....	.9
Number of Cross Ties placed in Track	290,422	256,795	58,594	605,811
Sets of Switch Ties placed in Track	87	113	5	205

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CONTRACT WORK PERFORMED UNDER SUPERVISION OF ENGINEERING DEPARTMENT.

	Lineal Feet.	Cubic Yards.	Cost.
ST. LOUIS SOUTHWESTERN RAILWAY CO.—			
Extension of Side Track Facilities	1,800	3,553	$ 314 36
Improvement in Yard Facilities	13,269	31,117	3,047 36
Raising Track and widening Embankments and Cuts	4,700	16,956	1,890 36
Total	19,769	51,626	$5,252 08
ST. LOUIS SOUTHWESTERN RAILWAY CO. OF TEXAS—			
No Contract Work under Supervision of Engineering Department performed during the year			
TYLER SOUTHEASTERN RAILWAY CO.			
Improvement in Yard Facilities	243	1,528	$ 114 60

CHARACTER OF RAIL IN MAIN TRACK.

The rail in track is wearing fairly well, with the exception of that on sharp curves between Pine Bluff and Tyler.

Developments will probably require the purchase of one thousand tons of additional rail, for renewals during the year.

MAINTENANCE AND IMPROVEMENT.

The physical condition of the track has been more than maintained.

One hundred and thirteen miles of track have been ditched by locomotive and plow gangs, during the year.

The value and importance of this improvement to the St. Louis Southwestern Railway Company's track can only be understood by persons familiar with the swampy condition of a great portion of the country traversed by the line.

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I may add that this improvement has all been made on the original narrow gauge portion of the road, which, as originally built, totally lacked proper banks and drainage.

Miles of track ballasted.....51.9

In Arkansas and Missouri, gravel ballast has been applied on spots of gumbo material, and bridge ends, absolutely requiring it.

In Texas the material used for ballast is mainly rock; and during the past year, where applied, the work has been thoroughly performed.

Miles of new side track and extensions.....13.2

This mileage of additional sidings is mainly tracks constructed for the accommodation of saw-mills, new cotton compresses in Texas, and other industries. But little additions have been made in passing tracks and yards.

Number of cross ties placed in track.....605,811

The large number of ties used in renewals is accounted for from the fact that when the gauge from Cairo to Gatesville was changed, the Company at that time doing the work were not particular in their requirements as to the class of timber, or standard dimensions of ties furnished for the purpose of changing gauge.

In addition, almost the total mileage from Bird's Point to Gatesville is on narrow gauge banks, not giving the ties proper support, thereby throwing upon them an undue strain, and as soon as deterioration of the timber, causing it to lose its strength, commences, the ties break in the middle in great numbers before being worn out, requiring extraordinary renewals.

These difficulties are being in a great measure overcome.

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The principal items of improvement that have taken place in the roadway and tracks during the past year, in addition to those enumerated in the foregoing statements, may be summarized as follows:

Improvement of grade line approaches to the St. Francis and Arkansas river bridges.

Grade approaches to the Sabine river trestle, and crossing the Sabine Bottom, raised above overflow.

Grade approaches to the Tehuacana Bridge and Bottom, raised above overflow.

Improvement of Chambers Creek Bottom, Mile Post 612 to Mile Post 617.

The grades entering and leaving the Bottom were cut down and trued up to a sixty-six foot maximum, and the line crossing the Bottom raised above overflow, and two miles and a half of track through the Bottom thoroughly ballasted and anchored on broken stone.

The cuts and embankments from Corsicana to Waco, a distance of fifty miles, have been widened from narrow gauge to standard gauge dimensions.

This improvement is of great value from an operating standpoint.

The track crossing this section is through the Texas black land, and its safe operation in wet weather, upon schedule time, has heretofore been a matter of impossibility.

Improvement of Mary street, city of Waco, was authorized, and work commenced by the Receivers, consisting of macadamizing the entire width of the street a distance of two and one-half blocks, completed by the present Company, at a total cost of $5,888.81.

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Hillsboro Section: All black land cuts on this section have been rock ballasted, and three miles of additional ballast applied, rendering the line passable and safe in wet weather.

With the exception of seven miles, the Tyler Southeastern Railway has been standard gauge tied and bridged.

This renewal made necessary by decay of timber.

No special work of improvement has been carried on on the Fort Worth and Sherman Branches.

Narrow Gauge Cuts and Embankments.

There are no cuts of any moment North of Pine Bluff, on any portion of the Company's lines.

The banks are low, and will eventually be brought to standard widths, by the use of ditching plow and track labor.

From Pine Bluff to Texarkana, about one-half of the cuts, of which there are a great many, have been widened to standard widths.

The balance should be widened as rapidly as the Company can afford the expense.

From Texarkana to Mt. Pleasant, Mile Post 423 to Mile Post 437, narrow gauge cuts and banks have been widened to standard dimensions.

There remains about ten miles of narrow gauge cuts on this section which should be widened, and the material derived used on the banks, which would greatly improve the grade line, and remove ugly short sags, which interfere with proper handling of trains, and raise out stretches of track now subject to overflow after heavy rains.

The cost of this work, approximately, is $8,000.

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From Mt. Pleasant to Tyler, all cuts and embankments are of narrow gauge dimensions.

The material, however, is good and stands well. Can be operated in that condition indefinitely.

The Fort Worth, Sherman and Hillsboro Sections, were originally constructed upon standard gauge plans, and require no expenditure of money upon work of this character.

Log Drains.

In the original construction of the road, between Pine Bluff and Tyler, drains through embankments that did not require a trestle opening, were constructed of logs, obtained upon the right of way.

There are in existence at this writing two hundred and forty-one of these openings. They have now commenced to rot down and cave, making it necessary to renew them. They are being replaced, as fast as they give out, with permanent tile conduits, with brick parapets at the ends.

I do not think it will be necessary to renew all of these drains during the present year. It is mentioned in this report on account of the extraordinary character of the expense.

Track Subject to Overflow.

There are five points on the line subject to overflow, that materially interfere with the operations of the road, and the expense necessary to overcome is serious.

The balance of the mileage possessing this element of weakness is not of sufficient importance to be made the subject of special mention.

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The first, and most important locality, is embraced between Mile Posts 1 and 6, Bird's Point to Smithton, subject to overflow from the Ohio and Mississippi rivers.

The most dangerous part of this overflow section is covered by two miles of track, where the line is subjected to a heavy current, which, at each successive overflow, carries away more or less of the embankment, track and trestles.

In order to overcome this difficulty, and save future expense in repairs, fifteen hundred feet of additional trestle opening has been authorized, and the grade line from the trestle to Bird's Point yard is being raised and anchored on stone.

It is expected that this work of improvement will prevent future damage to the property, and enable the line to be operated into Bird's Point, without an entire stoppage of traffic, to forty-eight feet Cairo gauge, which is two feet higher water on the gauge than the road has been able to withstand heretofore.

The remaining distance covered by this overflow section, four miles, having no current, when in condition of flood the track is not damaged or badly affected, and, in an emergency, it is possible to move trains with safety through the water, until the depth reaches thirty inches over the rail.

From Mile Post 19 to Mile Post 27, the line is overflowed by backwater from the Mississippi river when in condition of flood.

Trains can be moved over this district, in an emergency, until the gauge reading at Cairo reaches forty-eight and two-tenths feet.

No special damage results to the track from this overflow, other than the stoppage of traffic in extreme cases, therefore no expenditure of money for its improvement is contemplated this year.

The main line between Wabbaseca and Pine Bluff, which was overflowed by the breaking of the levees on the Arkansas

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river, and considerably damaged the past Spring, will simply be restored to original condition, with the addition of some trestle openings, which the developments of the flood water indicate as necessary.

The extraordinary flood which prevailed in the Arkansas river the past Spring being of rare occurrence, expensive improvements to the line for the purpose of protecting against it are not considered necessary at present.

Mile Post 596 to Mile Post 598, Cedar Creek Bottom, Texas, is subject to a dangerous overflow, mainly from lack of sufficient trestle openings.

The trestles on this Bottom requiring renewal during the present year, will be raised and lengthened sufficiently to largely overcome this difficulty.

From Mile Post C-602 to Mile Post C-605, where the Fort Worth line passes through the Elm Fork Bottom, the overflow is of a very serious character.

A careful survey, and competent engineering plan and estimate, indicates that an expenditure of $75,000 is necessary for absolute protection.

During the past three years, the labor of pulling drift out of the trestles, and replacing the track after each successive overflow, to say nothing of the interruption of traffic, has cost the Company, at a low estimate, $15,000.

The entire line across the Bottom, a distance of about four miles, requires raising from four to six feet, additional trestle openings, and one truss span, including foundations.

The trestles in this Bottom that require renewal during the present year will be reconstructed on a proper grade, adding the additional openings required, without attempting to raise the embankments, other than to reach the approaches to the trestles, omitting the constructing of the truss bridge, and general raising of embankments, to some future time.

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This improvement will tend to relieve the pressure, and save the line from damage by future floods.

The foregoing comprise all of the important overflow districts now existing on the line.

Yards and Terminal Facilities.

Additional yards and terminal facilities are badly needed at Jonesboro, Texarkana, Commerce, Tyler and Waco; the most important of which are Jonesboro, Texarkana, Tyler and Waco.

No plans for carrying on these improvements are at present contemplated by the Management, with the exception of Jonesboro. The facilities at that point are gradually being increased by a small expenditure, which is an absolute necessity, to meet the increasing business of the road.

Right of Way Fencing.

The St. Louis Southwestern Railway Company has fifty-one and nine-tenths miles of track right of way fenced.

The St. Louis Southwestern Railway Company of Texas has twelve and nine-tenths miles of track right of way fenced.

There was constructed during the past year, twenty miles of right of way fence.

The entire System disbursed during the year $61,779.39 in payment for live stock killed by its trains. The subject of right of way fencing the entire line should be carefully considered, as an economic measure.

The policy in constructing right of way fence during the past year, has been to fence such portions of the right of way most numerously affected by live stock.

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BRIDGES AND BUILDINGS.

STATEMENT OF PERMANENT SPANS, JUNE 30TH, 1892—ENTIRE SYSTEM.

	No. of Spans.	Length, Each.	Total Length.	Kind.	Class.*	Year Built.
ST. LOUIS SOUTHWESTERN RY. CO.—		Feet.	Feet.			
St. Francis River	1	100	100	Plate Girder Draw	A	1892
White River	1	355	.....	Pin Connected Draw	C	1883
White River	2	125	605	Combination	C	1883
Arkansas River	1	65	.....	Plate Girder	A	1891
Arkansas River	1	428	.....	Pin Connected Draw	A	1891
Arkansas River	2	200	.....	Pin Connected Truss	A	1888
Arkansas River	3	200	.....	Pin Connected Truss	A	1888
Arkansas River	1	100	1,593	Pin Connected Truss	A	1891
Saline River	2	50	.....	Plate Girder	A	1890
Saline River	1	150	250	Pin Connected Truss	A	1890
Moro River	1	100	100	Combination	None.	1887
Ouachita River	1	290	290	Pin Connected Draw	A	1891
Red River	1	300	.....	Pin Connected Draw	C	1883
Red River	1	200	.....	Pin Connected Truss	A	1888
Red River	1	61	561	Plate Girder	B	1886
Blackwater River	1	100	100	Pin Connected Truss	A	1890
Whitewater River	1	140	140	Pin Connected Truss	A	1890
Castor River	1	125	125	Howe Truss	.....	1889
Total	23	.....	3,864			
ST. LOUIS SOUTHWESTERN RY. CO. OF TEXAS.—						
Trinity River	1	200	200	Pin Connected Truss	A	1890
Tehuacana River	1	100	100	Combination	None.	1887
Brazos River	3	150	.....	Pin Connected Truss	B	1886
Brazos River	2	53	556	Plate Girder	B	1886
South Bosque River	1	150	150	Pin Connected Truss	B	1892
Harris Creek	1	70	70	Plate Girder	A	1890
Leon River, 1st Crossing	1	125	125	Pin Connected Truss	B	1886
Leon River, 2d Crossing	1	125	125	Pin Connected Truss	B	1886
Richland Creek	1	125	125	Pin Connected Truss	A	1890
Cedar Creek	1	125	125	Pin Connected Truss	B	1888
Choctaw Creek	1	125	125	Pin Connected Truss	B	1888
East Fork Trinity River	1	105	105	Howe Truss	C	1888
Rowlett's Creek	1	125	125	Howe Truss	C	1889
Spring Creek	1	105	105	Howe Truss	C	1888
Prairie Creek	1	80	80	Lattice Girder	A	1890
White Rock	1	101	101	Howe Truss	C	1889
Total	19	.....	2,217			
ENTIRE LINE	42	.....	6,081			

*NOTE.—Class A, sufficient to carry two Consolidation engines coupled, followed by a rolling load of 3,000 pounds per lineal foot.
Class B, sufficient to carry two Consolidation engines coupled, followed by a rolling load of 2,240 pounds per lineal foot.
Class C, sufficient to carry two Mogul engines coupled, followed by a rolling load of 2,000 pounds per lineal foot.

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STATEMENT OF TRESTLE BRIDGING, JUNE 30TH, 1892—ENTIRE SYSTEM.

ST. LOUIS SOUTHWESTERN RAILWAY CO—

	Lineal Feet.
Bird's Point Incline	1,020
Bird's Point Section	27,245
Jonesboro Section	35,230
Pine Bluff Section	52,325
Delta Branch	8,171
Little Rock Branch	4,022
Magnolia Branch	1,037
Shreveport Branch	5,221
Total	134,271

ST. LOUIS SOUTHWESTERN RAILWAY CO. OF TEXAS—

Texarkana Section	35,347
Tyler Section	22,853
Waco Section	4,263
Ft. Worth Branch	18,083
Sherman Branch	19,694
Hillsboro Branch	4,374
Total	104,614

TYLER SOUTHERN RAILWAY CO—

Tyler to Lufkin	13,326
ENTIRE LINE	252,211

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Bridges and Buildings—Maintenance and Improvements During Year Ending June 30th, 1892.

St. Louis Southwestern Ry. Co.			Cost.
New Wooden Trestles	6,068	Lineal feet	$ 22,410 76
Incline	340	Lineal feet	2,210 67
Draw Tender's Houses	2		709 80
Station Buildings	5		1,554 54
Road Master's Office	1		151 95
Office Building—Addition to I. M. Depot at Bird's Point	1		4,412 39
Transfer Shed, Office and Freight Rooms at Bird's Point	1		
Outhouse	1		30 00
Coke Bin	1		78 35
Turn Table	1		276 95
Platforms (Wood)	11,760	Square feet	903 65
Platforms (Cinder and Gravel)	2,620	Square feet	76 29
Stock Pens	3		278 00
Mail Cranes	26		619 79
Cattle Guards	34		1,051 45
Wire Fence	19	Miles and 4,356 ft. of fence.	4,959 58
Farm Gates	4		24 00
		Total	$ 39,738 17

St. Louis Southwestern Ry. Co. of Texas.			Cost.
New Wooden Trestles	15,169	Lineal feet	$ 46,922 10
Station Buildings	2		690 66
Station Building Outhouses	2		131 07
Car Repair Houses	3		270 10
Boarding House	1		440 42
Coal Bins	3		851 62
Track Scale Foundation	1		168 25
Stock Pens	2		114 10
Platforms (Wood)	26,624	Square feet	1,421 84
Platforms (Cinder)	18,173	Square feet	648 12
Cattle Guards	115		3,535 13
Cinder Pit	1		51 00
Turn Table	1		587 24
Drain Tile	350	Feet	317 45
Sidewalk	1,667	Square feet	102 30
		Total	$ 56,251 40

Tyler Southeastern Ry Co.			Cost.
New Wooden Trestles	6,203	Lineal feet	$ 19,187 72
Turn Table	1		667 00
Platforms	6,685	Square feet	521 50
Cattle Guards	23		707 03
		Total	$ 21,083 25
		Entire Line, Total	$ 117,072 82

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Work of maintenance of buildings and trestle bridging of the entire system has been fully carried on during the year.

For the ensuing year, there should be renewed on the St. Louis Southwestern Railway Company's lines..... 4,924 lineal feet of trestle.
Additional trestle openings provided, to relieve special cases of overflow, aggregating..... 4,871 lineal feet.

Making a total for the year of..... 9,795 lineal feet of trestle.
The St. Louis Southwestern Railway Company of Texas requires trestle renewal..... 7,993 lineal feet.
Additional openings..... 4,268 lineal feet.

Making a total for the year of.....12,261 lineal feet.
Grand total, estimated..... .....22,056 lineal feet, against a total lineal feet of 27,440, constructed the past year.

TRUSS BRIDGE RENEWALS RECOMMENDED DURING THE YEAR.

125-Foot Howe Span, Castor River, Delta Section, Estimated Cost.....$7,500
101-Foot Combination Truss, Tehuacana Creek, Tex., Estimated Cost, 7,500

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MOTIVE POWER AND CAR DEPARTMENT.

Statement of Equipment—Entire System.

	On Hand, June 30, 1891.	Changes During Year.				On Hand, June 30, 1892.
		Built.	Destroyed.	Sold.	Standard Gauge Changed to Narrow Gauge.	
Locomotives—						
Narrow Gauge, Dismantled	7	.....	.....	2	.....	5
Narrow Gauge	11	.....	.....	.....	.....	11
Standard Gauge	130	.....	.....	2	.....	128
Total	148	.....	.....	4	.....	144
Passenger Cars—						
Official ..... Standard Gauge	5	.....	.....	.....	.....	5
Chair ..... Standard Gauge	7	.....	.....	.....	.....	7
Coaches ..... Standard Gauge	41	1	2	.....	.....	40
Coaches ..... Narrow Gauge	4	.....	.....	.....	.....	4
Combination ..... Standard Gauge	8	.....	.....	.....	.....	8
Baggage and Express ... Standard Gauge	12	.....	1	.....	.....	11
Mail and Express ..... Standard Gauge	16	.....	.....	.....	.....	16
Mail and Express ..... Narrow Gauge	2	.....	.....	.....	.....	2
Total	95	1	3	.....	.....	93
Freight Cars—						
Refrigerator ..... Standard Gauge	25	.....	.....	.....	.....	25
Furniture ..... Standard Gauge	72	.....	.....	.....	.....	72
Caboose ..... Standard Gauge	63	2	2	.....	.....	63
Caboose ..... Narrow Gauge	2	.....	.....	.....	.....	2
Box ..... Standard Gauge	1,955	.....	37	.....	26	1,892
Box ..... Narrow Gauge	76	.....	5	.....	26	97
Stock ..... Standard Gauge	347	1	.....	.....	.....	348
Stock ..... Narrow Gauge	21	.....	.....	.....	.....	21
Flat ..... Standard Gauge	792	82	41	.....	26	807
Flat ..... Narrow Gauge	83	.....	2	.....	26	107
Coal ..... Standard Gauge	548	20	7	.....	.....	561
Derricks	2	.....	.....	.....	.....	2
Steam Shovels	2	.....	.....	.....	.....	2
Total	3,988	105	94	.....		3,999

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Performance and Cost of Operating Locomotives—Entire System.

	Year Ending June 30, 1892.	Year Ending June 30, 1891.	Increase.	Decrease.
Mileage—				
Passenger	1,156,760	1,187,563		30,803
Freight	1,839,486	1,902,223		62,737
Switch	847,825	949,302		101,477
Work	246,730	490,324		243,594
Other Service	78.716	110,892		32,176
Total	4.169,517	4,640,304		470,787
Supplies Used—				
Tons of Coal	139,889	160,442		20,553
Pints of Lubricating Oil	361,429	434,086		72,657
Pints of all Oil	471,628	562,056		90,428
Pounds of Waste	35,938	42,511		6,573
Miles Run—				
Per Ton of Coal	29.80	28.92	.88	
Per Pint of Lubricating Oil	11.54	10.69	.85	
Per Pint of all Oil	08.84	08.26	.58	
Per Pound of Waste	116.00	109.20	6.80	
Cost of Operating—				
Repairs	$200,016 82	$220,936 15		$20,919 33
Stores	15,830 15	16,276 18		446 03
Fuel	304,965 67	402,657 94		97,692 27
Engineers and Firemen	261,979 81	302,784 96		40,805 15
Wiping and Dispatching	54,979 78	58,781 92		3,802 14
Other Motive Power Acc'ts	4,353 45	4,754 38		400 93
Total	$842,125 68	$1,006,191 53		$164,065 85
Average Cost Per Mile—				
Repairs	$0 0480	$0 0476	$0 0004	
Stores	0 0038	0 0035	0 0003	
Fuel	0 0731	0 0867		$0 0136
Engineers and Firemen	0 0628	0 0653		0 0025
Wiping and Dispatching	0 0132	0 0127	0 0005	
Other Motive Power Acc'ts	0 0010	0 0010		
Total	$0 2019	$0 2168		$0 0149
Average Number of Engines in Service Monthly	113	113		
Average Monthly Mileage per Engine	3,119	3,363		244

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Repairs and Maintenance of Equipment—Entire System.

	Year Ending June 30, 1892.		Year Ending June 30, 1891.		Increase.		Decrease	
	No.	Cost.	No.	Cost.	No.	Cost.	No.	Cost.
Locomotives.								
Running Repairs	1,159	$54,381 81	1,083	$53,826 98	76	$ 554 83	.....	.....
Light Repairs.....	184	25,167 36	268	38,337 18	.....	.....	84	$13,169 82
Heavy Repairs.....	59	29,222 56	61	32,325 01	.....	.....	2	3,102 45
General Repairs...	46	61,836 25	54	49,628 03	.....	12,208 22	8	.....
Rebuilding	17	29,408 84	22	46,746 94	.....	.....	5	17,338 10
Total.....	1,465	$200,016 82	1,488	$220,864 14	76	$12,763 05	99	$33,610 37
Passenger Cars.								
Running Repairs	655	$ 8,755 44	610	$ 6,302 24	45	$2,453 20	.....	.....
Light Repairs.....	229	17,888 06	342	20,268 05	.....	....	113	$2,379 99
Heavy Repairs.....	22	8,849 79	50	14,469 29	.....	.....	28	6,119 50
General Repairs...	9	8,136 57	12	10,067 45	.....	.....	3	1,930 88
Rebuilding	4	4,922 89	4	4,761 72	.....	161 17	.....	.....
Total.....	919	$48,052 75	1,018	$55,868 75	45	$2,614 37	144	$10,430 37
Freight Cars.								
Running Repairs	41,439	$69,708 31	43,512	$103,341 42	.....	....	2,073	$33,633 11
Light Repairs.....	1,798	33,617 30	1,658	26,889 55	140	$6,727 75	.....	.....
Heavy Repairs.....	906	42,009 27	1,062	43,616 45	.....	....	156	1,607 18
General Repairs...	204	17,355 37	133	11,092 47	71	6,262 90	.....	.....
Rebuilding	120	23,080 39	138	20,749 41	.....	2,330 98	18	.....
Total.....	44,467	$185,770 64	46,503	$205,689 30	211	$15,321 63	2,247	$35,240 29
Entire Cost.....	.....	$433,840 21	.....	$482,422 19	.....	.....	.....	$48,581 98

Equipment Built.

Class.	No.	Cost.
Coaches	.....	.....
Cabooses	2	$1,312 27
Box Cars.....	.....	.....
Stock Cars.....	1	423 34
Flat Cars.....	82	20,830 47
Coal Cars.....	20	5,871 46
Total.....	105	$28,437 54

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CONDITION OF EQUIPMENT BY MONTHS DURING THE YEAR—ENTIRE SYSTEM.

MONTHS.	LOCOMOTIVES.		PASSENGER CARS.	
	Number Requiring Repairs.	Estimated Cost of Repairs Required.	Number Requiring Repairs.	Estimated Cost of Repairs Required.
July, 1891	78	$45,900 00	59	$12,570 00
August, 1891	78	46,750 00	42	9,815 00
September, 1891	71	40,200 00	40	8,360 00
October, 1891	58	36,500 00	36	7,115 00
November, 1891	57	36,990 00	34	6,325 00
December, 1891	59	35,125 00	34	6,275 00
January, 1892	63	36,825 00	34	6,350 00
February, 1892	55	33,455 00	33	6,870 00
March, 1892	53	32,255 00	32	6,635 00
April, 1892	42	29,870 00	37	7,750 00
May, 1892	37	25,790 00	52	11,825 00
June, 1892	40	28,080 00	53	15,330 00

	FREIGHT CARS.				
	Number Owned	BAD ORDER.		IN SERVICE.	
		Number.	Per Cent.	Number.	Per Cent.
July, 1891	3,986	157	03.94	3,829	96.06
August, 1891	3,984	130	03.26	3,854	96.74
September, 1891	3,979	132	03.32	3,847	96.68
October, 1891	3,960	88	02.22	3,872	97.78
November, 1891	3,950	52	01.32	3,898	98.68
December, 1891	3,999	48	01.20	3,951	98.80
January, 1892	4,004	79	01.97	3,925	98.03
February, 1892	4,004	101	02.52	3,903	97.48
March, 1892	4,010	110	02.74	3,900	97.26
April, 1892	4,009	84	02.09	3,925	97.91
May, 1892	4,014	81	02.02	3,933	97.98
June, 1892	3,999	106	02.65	3,893	97.35

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Principal Items of Betterment and Additions during the year:

TOOLS AND MACHINERY—PINE BLUFF SHOPS.

1 Cylinder Borer.	1 48-inch Engine Lathe.
1 Exhaust Fan.	2 Valve Facing Machines.

1 Flue Welding Machine.

Cost.....$ 4,015 68

IMPROVEMENTS TO LOCOMOTIVES.

80 Locomotives Equipped with Detroit Sight Feed Lubricators, cost.....$2,084 00

8 Freight Engines Equipped with Westinghouse Air Pumps Complete, cost..... 2,200 00

ADDITIONS TO CAR EQUIPMENT—BUILT IN COMPANY'S SHOPS.

2 Plow Cars.	1 Cinder Car.
2 Cabooses.	2 Baggage Cars.
82 Flat Cars.	20 Coal Cars.
1 Box Car.	1 Stock Car.

Cost.....$32,952 05

We had trucks on hand which were used in construction of foregoing equipment; car bodies were built to bring the material into service.

RECOMMENDATIONS.

To properly and economically maintain and handle the equipment of the road, additional buildings and machinery are required, particularly round houses, coaling chutes, etc., at terminal points that are without those facilities at present.

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MOTIVE POWER.

Standard gauge power owned by the Company may be classed as follows:

40 16-inch Cylinder Engines.
25 17-inch Cylinder, N. Y., P. & O. Engines.
8 17-inch Cylinder Engines.
30 18-inch Cylinder Engines.
16 15-inch Cylinder Engines.
6 14-inch Cylinder Engines.
4 13-inch Cylinder Engines.

Total, 129.

In the foregoing list, the twenty-five seventeen-inch cylinder, N. Y., P. & O. engines were old second-hand locomotives when they came onto the line, and required expensive repairs to fit them for service, and correspondingly heavy repairs to keep them up. The twenty-six engines with cylinders less than sixteen inches diameter, were "Narrow Gauge" widened to standard. The expense of operating that class of power is nearly as great as that of engines of double their weight.

I would most earnestly recommend that the question of the disposal of the greater portion of the lighter class of power, be taken under consideration, and a class of engines substituted suitable for the requirements of the service.

As an illustration of the economies that would obtain from such action, I append the following statement on the subject, submitted by our General Master Mechanic, R. M. Galbraith.

I would observe, in connection with this statement, that the line referred to by him, from Pine Bluff to Bird's Point, is practically without grades. From Pine Bluff to Texarkana the line is hilly and crooked.

Light power has been exclusively used north of Pine Bluff, on account of light bridges. With the replacement of White River Bridge, now undergoing reconstruction, this obstruction to the use of a heavy class of engines will be removed.

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GENERAL MASTER MECHANIC GALBRAITH'S STATEMENT.

FROM HIS ANNUAL REPORT.

"Statement of the expense of the 16 x 24, eight-wheel engines, on Jonesboro Section, compared with the results to be obtained by placing 18 x 24 Mogul Engines on same Section.

Total cost per train mile for Engines 16 x 24.....$ 0 32
Total cost per train mile for Engines 18 x 24 (less increase in fuel).. 32
Cost of excess fuel used by Engines 18 x 24..... 840 00

Each Engine supposed to make 45,000 miles per year.
16 x 24 Engines haul 35 loads—18 x 24 Engines haul 50 loads.

18 x 24 Engines haul 50 loads 45,000 miles.....2,250,000 loads hauled one mile.
16 x 24 Engines haul 35 loads 45,000 miles.....1,575,000 loads hauled one mile.
Difference in favor 18 x 24 Engines..... 675,000 loads hauled one mile.

Cost of 16 x 24 Engines one year, 45,000 miles at 32 cents.....$14,400 00
Cost of 18 x 24 Engines one year, 45,000 miles at 32c..$14,400 00
Plus excess fuel used by 18 x 24 Engines..... 840 00 15,240 00

2,250,000 Cars hauled 1 Mile by 18 x 24 Engines, Cost.....$15,240 00
or .0068 per Car Mile.
1,575,000 Cars hauled 1 Mile by 16 x 24 Engines, Cost..... 14,400 00
or .0092 per Car Mile.
675,000 Cars gained at .0092 (present rate)..... 6,210 00

Statement of the Expense of the 18 x 24 Mogul Engines on Pine Bluff Section, compared with the results to be obtained by purchasing 19 x 26, 10-wheel Engines, and substituting the same for the Moguls.

Total Cost per Train Mile for Engines 18 x 24.....$ 0 32
Total Cost per Train Mile for Engines 19 x 26 (less excess in fuel) 0 32
Cost of excess Fuel used by Engines 19 x 26..... 601 34

Each Engine supposed to make 300 trips or 45,300 miles per year.
18 x 24 Engines haul 18 loads. 19 x 26 Engines will haul 23 loads.

19 x 26 Engines will haul 23 loads 45,300 Miles.....1,041,900 loads hauled one Mile.
18 x 24 Engines will haul 18 loads 45,300 Miles..... 815,400 loads hauled one Mile.
Difference in favor 19 x 26 Engines..... 226,500 loads hauled one Mile.

Cost of 18 x 24 Engines one year, 45,300 Miles at 32c.....$14,496 00
Cost of 19 x 26 Engines one year, 45,300 Miles at 32c..$14,496 00
Plus excess Fuel used by Engines 19 x 26..... 601 34 15,097 34

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1,041,900 Cars hauled 1 Mile by 19 x 26 Engines, Cost..... or .0145 per Car Mile.	$15,097 34
815,400 Cars hauled 1 Mile by 18 x 24 Engines, Cost..... or .0178 per Car Mile.	14,496 00
226,500 Cars gained at .0178 (present rate).....	4,031 70
Saving in one year by substituting 18 x 24 Engines for 16 x 24...	$ 6,210 00
Saving in one year by substituting 19 x 26 Engines for 18 x 24...	4,031 70
Total saving in one year for each 19 x 26 Engine bought.....	$10,241 70
Less excess Fuel used.....	1,441 34
	$8,800 36

The Cost per Train Mile used in the foregoing calculations is not estimated, but represents the average cost of Freight Trains for the past year on this line.

While a liberal allowance has been made for excess fuel used by the larger Engine, in each case, it is not probable that in actual service there would be any considerable increase in fuel. In an extended test made by me several years ago of six locomotives, each of two different classes, (between which there was a greater relative difference than the Moguls and ten-wheel Engines shown herein) it was found that the two classes of Engines, pulling respectively 18 and 25 loads per train, made $34\frac{88}{100}$ and $34\frac{83}{100}$ Miles per ton of Coal.

I give the following as an example of changes that could be made in equipment on the two sections quoted above, at a nominal expense, and which would enable us to handle more tonnage than at present:

Buy 6 10-wheel Engines 19 x 26 Cylinders for $9,200.00 each.....	$56,200 00
Sell 10 8-wheel Engines 16 x 24 Cylinders for $5,500.00 each.....	55,000 00
Net Cost of 6 10-wheel Engines.....	$1,200 00

Assign Locomotives as follows: Place 6 10-wheel Engines on Pine Bluff Section, transfer 7 Mogul Engines to Jonesboro Section, sell 10 8-wheel Engines now on Jonesboro Section.

6 Ten-wheel Engines will haul on P. B. Section 23 loads each.....	138 loads
7 Mogul Engines will haul on P. B. Section 18 loads each.....	126 loads
7 Mogul Engines will haul on Jonesboro Section 50 loads each...	350 loads
10 Eight-wheel Engines will haul on Jonesboro Section 35 loads each.....	350 loads

The above arrangement will save the expense of four Engine and Train Crews, with a nominal increase in expense in fuel consumed, and perhaps the small difference shown in purchase price of new Engines. To offset this, we will have six new engines to keep in repair instead of ten that are now six years old.

The above example is quoted for Pine Bluff and Jonesboro Sections, to more fully demonstrate the statement on the foregoing page. However, I am of the opinion that the expected increase in business on the line will necessitate an increase of power, which I believe would be fully met by

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substituting 15 ten-wheel Engines, 19 x 26 cylinders, weighing about 60 tons, for 15 of the 16 x 24 eight-wheel Engines, at present in use.

The ten-wheel Engines should be assigned to service between Pine Bluff and Tyler, and the Moguls transferred to the Sections North of Pine Bluff, and to the other portions of the line in Texas where the grades and curves are lighter.

By selling the 15 eight-wheel Engines, the heavier Engines should cost net about $3,700.00 each. The saving in train expense by the purchase of the 15 heavy Engines, would be in the same ratio as outlined for the Jonesboro and Pine Bluff Sections, as there is even a greater relative difference between the Bird's Point and Texarkana Sections, than the two first named.

In recommending this heavier equipment, I have of course taken into consideration the fact that a heavier rail should be substituted for the 56-pound rail on the Pine Bluff and Texarkana Sections, in the near future, in order to successfully operate these Engines, all of which is respectfully submitted.

(Signed). R. M. GALBRAITH,

General Master Mechanic.

During the year the following Engines were disposed of by sale:

No. 36,	Narrow Gauge widened to Standard	$3,500 00
No. 53,	Narrow Gauge	4,000 00
No. 58,	Narrow Gauge	4,000 00
No. 81,	Narrow Gauge widened to Standard	3,500 00
	Total amount received	$15,000 00

There remain on hand subject to sale, five dismantled Narrow Gauge Engines.

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ENGINEERING DEPARTMENT.

The records of this Department, which are defective, have been extensively added to during the year, and it now has complete drawings of all yard and station facilities on the line.

CONDITION OF ENGINEERING RECORDS—ST. LOUIS SOUTHWESTERN RAILWAY COMPANY.

Bird's Point Section—

No alignment map or correct profile on record.

Jonesboro Section—

No alignment map or reliable profile from Mile Post 125 to Mile Post 242. Mile Post 242 to Mile Post 267 surveys have been completed during the year, from which correct profile and alignment map will be made.

Pine Bluff Section—

Complete profile has been made from accurate surveys, and notes taken to complete alignment map during the year.

Delta Section—

Accurate alignment map and profile are on record in Engineer's office.

New Madrid Section—

Accurate alignment map and profile of two-mile extension, built in 1887, are on record in Engineer's office, but no accurate map or profile of the balance of this Section.

Little Rock Section—

Accurate alignment map and profile are on record in Engineer's office.

Magnolia Section—

No alignment map or reliable profile on record.

Shreveport Section—

Accurate alignment map and profile are on record in Engineer's office.

Estimated cost to perfect the foregoing engineering records will amount to $15,364.00.

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CONDITION OF RIGHT OF WAY ST. LOUIS SOUTHWESTERN RAILWAY COMPANY.

The imperfect condition of the engineering records renders it impossible to state the exact condition of the Company's right of way, on the main line through Missouri and Arkansas.

On the branch lines constructed in 1887 and 1888, the right of way has been nearly completed, there being but few cases remaining unsettled.

CONDITION OF ENGINEERING RECORDS ST. LOUIS SOUTHWESTERN RAILWAY COMPANY OF TEXAS AND TYLER SOUTHEASTERN RAILWAY COMPANY.

Texarkana Section—

Correct alignment map, showing head-right lines and individual property lines, is on record, and profile from Mile Post 456 to Mile Post 546.

Tyler Section—

Correct alignment map, showing head-right lines, but no individual property lines, is on record. There is no reliable profile of this Section.

Waco Section—

Correct alignment map, showing head-right lines, but no individual property lines, is on record. There is no profile.

Sherman Section—

There is a correct profile from Mt. Pleasant to Sherman, but no reliable alignment map.

Fort Worth Section—

There is a correct profile from Commerce to Fort Worth, but the alignment map is defective, and not reliable.

Hillsboro Section—

Correct alignment map, showing head-right lines, and also correct profile, but no individual property lines on record.

Tyler Southeastern—

No alignment map on record, but the construction profile is fairly reliable.

The estimated cost of perfecting these records is $17,530.00

The imperfect condition of the records renders it impossible to give a correct statement of the condition of right of way still unsettled, on the main line and the Tyler Southeastern Railway, with the exception of the Texarkana Section.

RIGHT OF WAY UNOBTAINED ON BRANCH LINES.

Sherman Section—17 miles.
Fort Worth Section—7½ miles.
Hillsboro Section—5 miles.

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STATEMENT OF THE PRINCIPAL WORK CARRIED ON OR FINISHED DURING THE YEAR UNDER THE SUPERVISION OF THE ENGINEERING DEPARTMENT.

St. Francis River Bridge—

The St. Francis River having been declared navigable by the Government, it became necessary to remove the fixed 150-foot iron span at that point, and substitute a draw span. This work was performed during the past year, the 150-foot fixed span having been taken down and shipped to the Texas Company, and a 150-foot plate girder draw span erected in its place. The iron work was constructed by the Detroit Bridge Company. The substructure was built by Company forces.

The total cost of the work, including the substructure of selected cypress piling, was $7,715.91.

White River Bridge—

The White River Bridge consists of two combination fixed spans 125 feet each, reinforced and supported on false work since 1890, and one iron draw span 355 feet in length. The draw span having been condemned as too light, a contract was entered into in the month of March, with the Phœnix Bridge Company of Phœnixville, Pa., for its renewal. The work of erection to be commenced June 1st, but owing to delays on the part of the Bridge Company, the erection has been retarded to such an extent that it will be some time during the Fall before the work of erection can commence. It is the intention of the Management to carry the two fixed combination spans of this bridge on false work indefinitely.

The estimated cost of this improvement complete will be $40,000.00.

Arkansas River Bridge—

The work of replacing the light spans and defective foundations left from the original structure, was commenced during December, 1890, and was successfully completed during the early part of the present fiscal year.

This work included the removal of two 100-foot combination spans, one 355-foot draw span, and four cylinder piers. The nature of the river bottom, and the difficulty of replacing the cylinder piers, rendered the pneumatic process necessary for the pivotal pier, and one of the end rest piers for the draw span.

It was also found necessary to proportion the span into one plate girder of sixty-five feet, one draw span 428 feet. The piers sunk by the pneumatic process consisted of regular timber caissons, and cribs filled with concrete and surmounted by first-class masonry shafts. They were sunk to a depth of sixty-eight feet below extreme low water, the pivotal pier being 103 feet in extreme height from top of the coping to the bottom of the cutting edge of the caisson.

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Before the work of finishing the foundation was finally completed, the contractor having become involved in difficulties, and the work being delayed, it was necessary to relieve him, and finish the work by the Company's forces.

This was successfully completed at a less cost than the original estimate of the work contemplated.

In addition to the work in the river, the embankment approaches to the bridge were raised from a one per cent grade to a five-tenths grade, by which much relief has been given to heavy freight trains approaching the bridge.

The total cost of this work to the Company was.....$195,493 80

Ouachita River Bridge—

The work of construction of this draw bridge was nearly completed during the year 1891.

The total cost to the Company was.....$78,201 66

Red River Bottom—

In May, 1890, the flood in Red River rose to a higher stage than had ever before been recorded, resulting in great disaster to this Company, overflowing and damaging its embankments for a distance of six miles. After the flood subsided, careful examinations were made, and engineering plans designed providing for raising the embankments to a height of two feet above the flood of that year.

The necessary additional water-ways were calculated to admit the passage of such a flood.

These plans were adopted, and the work of improvement completed during that year, and the year following.

In May of the present year a second flood occurred in the Red River, more disastrous in its public effect than ever before experienced, the flood heights rising 18 inches above the flood of 1890. The wisdom of the improvements made by this Company, and the accuracy of the engineering calculations were satisfactorily demonstrated, as our trains were successfully operated across the entire Red River Bottom without interruption, during the flood period of 1892.

The results of this latter flood, however, indicate that it is necessary to protect the ends of all embankments at trestle openings with rip rap. The work is now in progress, and it is expected will be completed before the Spring floods of another year. The expense will not be a matter of great importance.

In concluding remarks on this subject, I would state, that, with the completion of the White River Draw Bridge, now under construction, all important light truss bridges will have been removed from the Company's property. Future renewals of truss bridges will not require expenditures of money of an extraordinary character.

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ADDITIONAL PROPERTY REQUIRED BY THE COMPANY FOR IMPROVING ITS TERMINAL FACILITIES.

At Texarkana, Waco and Tyler—

At Tyler the Company's terminal facilities are much cramped, and inadequate for the proper and economical handling of its business. During the past year, a committee of the citizens at Tyler made a proposition to donate to the Company necessary land for suitable yard and shop purposes, simply specifying in the deeds that the land should be retained for the use of the Company for railway purposes, with no other conditions.

Under the circumstances this proposition was accepted, and deeds for fifteen acres of land have already been executed and delivered. The citizens' committee are endeavoring to secure deeds to about ten acres more, which they propose to donate to the Company for the purposes named.

REDUCTION OF GRADES.

That portion of the Company's lines adversely affected by numerous short heavy grades, and in which great economies in the cost of transportation would obtain if the grade line was reduced to a fair standard, is embraced between Pine Bluff, Arkansas, on the north, and Waco, Texas, on the south, a distance of about four hundred miles.

The present maximum ruling grades are:

Pine Bluff to Mt. Pleasant	66 feet.
Mt. Pleasant to Tyler	105 feet.
Tyler to Waco	80 feet.

It is believed by the Management that the country embraced between the points named is naturally adaptable to a one per cent ruling grade line in both directions.

To state, even approximately, what it would cost to make such an improvement upon the present line, in the absence of a careful survey, examination of the country in detail, and an engineering plan, would be mere guess work.

The matter, however, in the opinion of the Management is worthy of careful consideration.

Improvement in the gradients between Pine Bluff and Mt. Pleasant, on account of the heavier volume of tonnage, is the most important, from an economic standpoint.

The policy of gradually perfecting Engineering records pursued in the past, will be continued.

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CONCLUSION.

Your attention is called to the necessity of making extensive improvements, and extending the Tyler Southeastern Railway, if it is expected to become a profitable property.

The gauge should be changed from three feet to four feet eight and one-half inches.

In order to operate it economically as standard gauge, and maintain it, the excavations and embankments should be increased to standard dimensions, and the gradients of the line reduced to a one per cent maximum.

An extension South of Lufkin, thirty miles, would penetrate for that distance, a fine body of long-leaf yellow pine.

The rail now in use is thirty-five pound section, which is entirely too light to carry the heavy traffic that would naturally be imposed upon an almost exclusively lumber road.

Your property in Texas should have direct rail connection with the city of Dallas, with proper terminal facilities at that point.

An extension of the Hillsboro Branch to a connection with the Texas Central road, a distance of about twelve miles, could be cheaply built, and I believe would be a profitable investment, for the reason that it would enable our line to reach the local territory covered by the Texas Central road, and secure a share of its traffic, without greatly increasing the operating expenses.

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Reference is here made to the appendix of this report, containing, first, a table giving a summary of the results of operation for the past four years; second, table of gross earnings by months for the same period, and third, Income and Financial Exhibits for each Company forming a part of the System, stated separately, for the fiscal year ending June 30th, 1892.

The property and operating results will continue to improve steadily for some time to come, without the investment of capital other than that derived from the earnings, over and above fixed charges. But in order to enhance the value of the property rapidly, and keep pace with improvements inaugurated, and in progress by our principal competitors, it is my judgment that something more than simply depending upon the earnings is necessary.

Respectfully submitted,

W. B. DODDRIDGE,
General Manager.

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APPENDIX.

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I.

SUMMARY OF RESULTS OF OPERATION.

FOR FOUR YEARS ENDING JUNE 30TH, 1892.

ENTIRE SYSTEM.

NOTE—The figures given in this Table for years ending June 30th, 1889, 1890 and 1891, are results of operation of the property by the St. Louis, Arkansas and Texas Railway Company and the Receivers thereof, the latter appointed May 15th, 1889.

ITEM.	Year Ending June 30, 1889.	Year Ending June 30, 1890.	Year Ending June 30, 1891.	Year Ending June 30, 1892.
Miles Operated.	1,187.83	1,222.10	1,222.10	1,222.10
FREIGHT TRAFFIC—				
Number of Tons carried	898,1:5	1,154 300	1,252,978	1,302,580
Number of Tons carried one mile	203,004,973	258,556,739	251,647,375	270,433,058
Average distance haul of one Ton	226.03	223.99	200.84	207.61
Freight Train mileage	1,722,242	1,805,325	1,894,784	1,839,486
Freight Earnings (including 50 per cent of Miscellaneous Earnings)	$2,673,913 53	$3,411,914 76	$3,305,298 78	$3,579,805 89
*Average Earnings per Ton	$2.9772	$2.9558	$2.6380	$2.7482
*Average Earnings per Ton per mile	$0.0131	$0.0132	$0.0131	$0.0132
*Average Earnings per Freight Train mile	$1.5526	$1.8899	$1.7444	$1.9461
*Average Freight Earnings per mile of Road	$2,251 09	$2,791 85	$2,704 61	$2,929 23
PASSENGER TRAFFIC—				
Number of Passengers carried	560,728	710,192	866,434	833,293
Number of Passengers carried one mile	21,154,434	27,657,489	34,193,120	33,131,148
Average distance one Passenger carried	37.73	38.94	39.46	39.76
Passenger Train mileage	882,853	909,079	1,195,002	1,156,760
Passenger Earnings (including Mail and Express and 50 per cent of Miscellaneous Earnings).	$ 703,924 50	$ 849,998 61	$1,018,356 72	$1,056,655 95
†Average Earnings per Passenger.	$1.2554	$1.1969	$1.1753	$1.2680
†Average Earnings per Passenger per mile	$0.0333	$0.0307	$0.0298	$0.0319
†Average Earnings per Passenger Train mile	$0.7973	$0.9350	$0.8522	$0.9135
‡Average Passenger Earnings per mile of road	$592 61	$695 52	$833 28	$864 62

* Based on Total Freight Earnings, including 50 per cent of Miscellaneous Earnings.

† Based on Total Passenger Earnings, including Mail and Express and 50 per cent of Miscellaneous Earnings.

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SUMMARY OF RESULTS OF OPERATION—*Continued.*

ITEM.	Year Ending June 30, 1889.	Year Ending June 30, 1890.	Year Ending June 30, 1891.	Year Ending June 30, 1892.
TOTAL EARNINGS—				
Total Earnings (all sources)	$3,377,838 03	$4,261,913 37	$4,323,655 50	$4,636,461 84
Average Earnings per mile of road.	$ 2,843 70	$ 3,487 37	$ 3,537 89	$ 3,793 85
Average Freight and Passenger Earnings per train mile	$ 1.2966	$ 1.5701	$ 1.3993	$ 1.5474
OPERATING EXPENSES—(Including Betterments)—				
Operating Expenses (excluding taxes) Freight	$2,492,439 76	$2,849,251 14	$3,333,110 94	$2,675,179 76
Operating Expenses (excluding taxes) Passenger	912,076 30	1,186,199 95	1,516,544 31	1,149,114 61
Total operating Expenses (excluding taxes)	3,404,516 06	4,035,451 09	4,849,655 25	3,824,294 37
Percentage of Freight Expenses to Freight Earnings	.9321	.8351	1.0084	.7473
Percentage of Passenger Expenses to Passenger Earnings	1.2957	1.3955	1.4892	1.0875
Percentage of Expenses (excluding taxes) to Gross Earnings	1.0079	.9469	1.1217	.8248
Average Expense per ton	$ 2.7752	$ 2.4684	$ 2.6602	$ 2.0538
Average Expense per ton per mile	0.0123	$ 0.0110	$ 0.0132	$ 0.0099
Average Expense per Passenger	$ 1.6266	$ 1.6703	$ 1.7503	$ 1.3790
Average Expense per Passenger per mile	$ 0.0431	$ 0.0429	$ 0.0444	$ 0.0347
Average Expense per Freight Train mile	$ 1.4472	$ 1.5782	$ 1.7591	$ 1.4543
Average Expense per Passenger Train mile	$ 1.0331	$ 1.3048	$ 1.2691	$ 0.9934
Average Expense per Freight and Passenger Train mile	$ 1.3069	$ 1.4867	1.5695	$ 1.2764
Average Expense per mile of Road (excluding taxes)	$ 2,866.16	$ 3,302.06	$ 3 ,968 30	$ 3,129 28
TOTAL NET EARNINGS—				
Total net Earnings	Deficit. $ 26,678 03	$ 226,462 28	Deficit. $ 525,999 75	$ 812,167 47
Total net Earnings per mile of road	$ 22.46	$ 185-31	$ 430.41	$ 664.57

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II.

GROSS EARNINGS BY MONTHS.

FOR FOUR YEARS ENDING JUNE 30, 1892.

ENTIRE SYSTEM.

Month.	Year Ending June 30, 1889. 1888-1889.	Year Ending June 30, 1890. 1889-1890.	Year Ending June 30, 1891. 1890-1891.	Year Ending June 30, 1892. 1891-1892.
July	$ 227,185 56	$ 271,562 08	$ 307,440 81	$ 322,515 90
August	281,109 03	336,852 61	365,788 36	349,459 69
September	296,288 22	388,583 27	386,688 83	447,131 11
October	383,716 55	526,305 37	490,967 31	577,267 39
November	335,867 73	470,882 71	423,059 08	505,755 47
December	364,939 84	502,859 68	466,675 64	480,582 10
January	274,639 75	375,619 94	350,257 77	351,874 29
February	256,538 27	305,244 13	347,040 49	371,799 21
March	248,017 76	270,911 48	336,418 32	331,973 06
April	225,467 82	259,872 69	287,949 84	302,678 41
May	241,164 77	290,927 39	285,374 21	303,382 48
June	242,902 73	262,292 02	276,044 84	292,042 73
Total	$ 3,377,838 03	$ 4,261,913 37	$ 4,323,655 50	$ 4,636,461 84

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INCOME AND FINANCIAL EXHIBITS.

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III.

ST. LOUIS SOUTHWESTERN R'Y CO. **INCOME (PROFIT AND LOSS) ACCOUNT.** **JUNE 30th, 1892.**

To Operating Expenses, year ending June 30th, 1892—		
Conducting Transportation	$818,618 03	
Motive Power	491,915 30	
Maintenance of Cars	155,242 91	
Maintenance of Way	502,170 80	
General Expenses	126,891 45	$2,184,844 58
Surplus Earnings		869,114 23
		$3,053,958 81
To Accrued Interest on First Mortgage Bonds (4's)		$ 800,000 00
To Taxes Accrued		58,296 81
To Sundry Amounts		6,917 89
Total Debits		$ 865,204 70
To Balance to credit of Income Account, June 30th, 1892		751,677 25
TOTAL		$1,616,881 95

By Earnings, year ending June 30th, 1892—		
Freight	$2,440,210 85	
Passenger	475,584 62	
Mail	57,806 91	
Express	44,598 16	
Telegraph	3,327 31	
Miscellaneous	32,561 76	$3,053,958 81
		$3,053,958 81
By Surplus Earnings, year ending June 30th, 1892, brought down		$ 869,114 23
By Interest on Bonds Owned		
St. Louis Southwestern R'y Co. of Texas, First Mortgage, $2,445,000.00 @ 4%	$177,800 00	
Tyler Southeastern R'y Co., First Mortgage, $600,000.00 @ 4%	26,400 00	
Paragould & Buffalo Island R'y Co., First Mortgage, $25,000.00 @ 7%	1,750 00	405,950 00
By Sundry Amounts		68,189 23
By Balance to credit of Income Account, July 1st, 1891, viz.:		
Surplus Funds received from Reorganization Committee	$333,980 00	
Deduct: Deficit from Operation from date on which this Company commenced to operate the property, viz.: June 1st, 1891, to June 30th, 1891	55,971 51	278,618 49
Total Credits		$1,616,881 95
TOTAL		$1,616,881 95

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IV.

ST. LOUIS SOUTHWESTERN R'Y COMPANY. **FINANCIAL EXHIBIT.** **JUNE 30th, 1892.**

To Cost of Road and Equipment		$46,868,202 28	By Capital Stock—		
Construction Accounts		20,722 81	Preferred	$20,000,000 00	
Real Estate		27,327 95	Common	16,500,000 00	$36,500,000 00
Investments in Stocks and Bonds—					
Capital Stock St. L. S.W. R'y Co. of Texas	$2,495,500 00		Bonds—		
Capital Stock Tyler Southeastern R'y Co.	245,500 00		First Mortgage (4 %)	$20,000,000 00	
First Mortgage Bond St. L. S. W. R'y Co. of Texas	9,445,000 00		Second Mortgage Income (4 %)	8,000,000 00	28,000,000 00
Second Mortgage Income Bond St. L. S. W. R'y Co. of Texas	4,722,500 00		Equipment Trust Notes (not due)		260,844 26
First Mortgage Bond Tyler Southeastern R'y Co.	660,000 00		Interest on Bonds—Due and Accrued		155,233 33
Second Mortgage Income Bond Tyler Southeastern R'y Co.	330,000 00		Sundry Accounts Payable		596,286 39
First Mortgage Bonds Paragould and Buffalo Island R'y	25,000 00		Miscellaneous Accounts		19,456 44
First Mortgage Bonds Gulf & Ship Island R'y, par value $15,000, purchased for	1,500 00	$17,925,000 00	Balance to credit of Income (Profit and Loss) Account, June 30th, 1892, as per detailed exhibit on preceding page		751,677 25
Advances to Sundry Agents to be accounted for		25,502 14			
Supplies on hand		168,506 35			
Cash		100,890 05			
Sundry Accounts Collectible		157,997 17			
First Mortgage Bonds St. L. S. W. R'y Co. in Treasury		500,000 00			
St. Louis Southwestern R'y Co. of Texas, General Account		414,202 29			
Tyler Southeastern R'y Co., Gen'l Account		9,828 84			
Receivers St. Louis, Arkansas & Texas R'y in Ark. and Mo. General Account		65,317 79			
		$66,283,497 67			$66,283,497 67

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ST. LOUIS SOUTHWESTERN R'Y CO. OF TEXAS. INCOME (PROFIT AND LOSS) ACCOUNT. JUNE 30th, 1892.

To Operating Expenses Year Ending June 30, 1892—			By Earnings Year Ending June 30, 1892—		
Conducting Transportation	$430,311 89		Freight	$1,030,486 63	
Motive Power	390,228 47		Passenger	337,639 33	
Maintenance of Cars	90,186 64		Mail	40,109 04	
Maintenance of Way	473,805 08		Express	23,751 10	
General Expenses	87,994 92	$1,472,527 00	Telegraph	2,227 71	
			Miscellaneous	15,228 48	$1,449,442 29
			Deficit Earnings		23,084 71
		$1,472,527 00			$1,472,527 00
To Deficit Earnings Year Ending June 30, 1892. Brought Down		$ 23,084 71	By Sundry Amounts		$ 56,040 89
To Accrued Interest on First Mortgage Bond (4%)		377,800 00	By Balance to Credit of Income Account July 1, 1891, viz.—		
To Taxes Accrued		44,561 55	Surplus Funds Received from Reorganization Committee	$ 318,735 00	
To Sundry Amounts		3,248 51	Deduct: Deficit from Operation, from date on which this Company Commenced to Operate the Property, viz.: June 1, 1891, to June 30, 1891	59,800 95	258,934 05
Total Debits		$ 448,694 77	Total Credits		314,974 94
			By Balance to Debit of Income Account June 30, 1892		133,719 83
TOTAL		$ 448,694 77	TOTAL		$ 448,694 77

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VI.

ST. LOUIS SOUTHWESTERN R'Y CO. OF TEXAS. **FINANCIAL EXHIBIT.** JUNE 30th, 1892.

To Cost of Road and Equipment		$16,963,072 55	By Capital Stock (Common)		$ 2,500,000 00
Supplies on hand		63,845 97	Bonds—		
Cash		45,892 72	First Mortgage (4%)	$9,445,000 00	
Sundry Accounts Collectible		29,869 54	Second Mortgage Income (4%)	4,722,500 00	14,167,500 00
Tyler Southeastern R'y Co., Gen'l Acc't		42,284 36	Equipment Trust Notes (not due)		260,844 26
Receiving St. Louis, Arkansas & Texas R'y Co, in Texas, General Account		235,323 47	Sundry Accounts Payable		174,218 32
Miscellaneous Account		2,756 43	St. Louis Southwestern R'y Co., General Account		414,202 29
Balance to debit of Income (Profit and Loss) Account, June 30th, 1892, as per detailed exhibit on preceding page		133,719 83			
		$17,516,764 87			$17,516,764 87

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VII.

TYLER SOUTHEASTERN R'Y COMPANY. INCOME (PROFIT AND LOSS) ACCOUNT. JUNE 30th, 1892.

To Operating Expenses, year ending Juue 30th, 1892—			By Earnings, year ending June 30th, 1892—		
Conducting Transportation	$43,963 42		Freight	$81,269 12	
Motive Power	36,243 99		Passenger	40,805 48	
Maintenance of Cars	16,125 70		Mail	5,468 12	
Maintenance of Way	64,960 63		Express	3,254 65	
General Expenses	5,629 05	$166,922 79	Telegraph	598 95	
			Miscellaneous	1,664 42	$133,060 74
			Deficit Earnings		33,862 05
		$166,922 79			$166,922 79
To Deficit Earnings, year ending June 30th, 1892, brought down		$33,862 05	By Sundry Amounts		$ 4,219 04
To Accrued Interest on First Mortgage Bond (4%)		26,400 00	By Balance to credit of Income Account, July 1st, 1891, viz.:		
To Taxes Accrued		4,477 86	Surplus Funds received from Reorganization Committee	$22,275 00	
To Sundry Amounts		191 53	Deduct: Deficit from Operation, from date on which this Company commenced to operate the property, viz.: June 1st, 1891, to June 30th, 1891	7,329 52	14,945 48
Total Debits		$64,931 44	Total Credits		$19,164 52
			By Balance to debit of Income Account, June 30th, 1892		45,766 92
TOTAL		$64,931 44	TOTAL		$64,931 44

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VIII.

TYLER SOUTHEASTERN RAILWAY COMPANY. **FINANCIAL EXHIBIT.** **JUNE 30th, 1892.**

To Cost of Road and Equipment		$1,244,405 76	By Capital Stock (Common)		$250,000 00
Receivers St. Louis, Arkansas & Texas R'y Co. in Texas, General Account		2,731 77	Bonds—		
			First Mortgage (4%)	$660,000 00	
Balance to debit of Income (Profit and Loss) Account, June 30th, 1892, as per detailed exhibit on preceding page		45,766 92	Second Mortgage Income (4%)	330,000 00	$990,000 00
			Miscellaneous Accounts		791 25
			St. Louis Southwestern R'y Co., General Account		9,828 84
			St. Louis Southwestern R'y Co. of Texas, General Account		42,284 36
		$1,292,904 45			$1,292,904 45

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"COTTON BELT ROUTE."

ST. LOUIS SOUTHWESTERN RAILWAY COMPANY,

INCLUDING THE

ST. LOUIS SOUTHWESTERN RAILWAY CO. OF TEXAS

AND

TYLER SOUTHEASTERN RAILWAY CO.

SECOND ANNUAL REPORT

FOR THE YEAR ENDED

JUNE 30, 1893.

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"COTTON BELT ROUTE."

ST. LOUIS SOUTHWESTERN RAILWAY COMPANY,

INCLUDING THE

ST. LOUIS SOUTHWESTERN RAILWAY CO. OF TEXAS

AND

TYLER SOUTHEASTERN RAILWAY CO.

SECOND ANNUAL REPORT

TO THE

DIRECTORS AND STOCKHOLDERS,

FOR THE YEAR ENDED

JUNE 30, 1893.

ST. LOUIS:
WOODWARD & TIERNAN PRINTING COMPANY, 309 to 319 N. Third St.
1893.

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DIRECTORS.

ST. LOUIS SOUTHWESTERN RAILWAY COMPANY.

ELECTED MAY, 1892.

S. W. FORDYCE	*St. Louis, Mo.*
EDWIN GOULD	*New York, N. Y.*
W. B. DODDRIDGE	*St. Louis, Mo.*
M. GERNSHEIM	*New York, N. Y.*
R. M. GALLOWAY	*New York, N. Y.*
THOS. T. ECKERT	*New York, N. Y.*
ROBERT MOORE	*St. Louis, Mo.*
A. L. WOLFF	*St. Louis, Mo.*
WINSLOW S. PIERCE	*New York, N. Y.*

Annual Meeting of Stockholders for election of Directors is held in the city of St. Louis, Mo., on the first Tuesday in October.

ST. LOUIS SOUTHWESTERN RAILWAY COMPANY OF TEXAS.

ELECTED MAY, 1893.

S. W. FORDYCE	*St. Louis, Mo.*
W. W. SELEY	*Waco, Tex.*
TOM RANDOLPH	*Sherman, Tex.*
J. A. EDSON	*Tyler, Tex.*
EDWIN GOULD	*New York, N. Y.*
WINSLOW S. PIERCE	*New York, N. Y.*
W. B. DODDRIDGE	*St. Louis, Mo.*
JAMES GARRITY	*Corsicana, Tex.*
JOHN R. HOXIE	*Ft. Worth, Tex.*

Annual Meeting of Stockholders for election of Directors is held in the city of Tyler, Texas, on the first Monday preceding the first Wednesday in May.

TYLER SOUTHEASTERN RAILWAY COMPANY.

ELECTED MAY, 1893.

WILLARD FISHER	*Dallas, Tex.*
HOWARD GOULD	*New York, N. Y.*
GUY PHILLIPS	*New York, N. Y.*
W. S. MALLETT	*New York, N. Y.*
T. F. MURCHISON	*Athens, Tex.*
J. P. DOUGLAS	*Tyler, Tex.*
J. A. EDSON	*Tyler, Tex.*

Annual Meeting of Stockholders for election of Directors is held in the city of Tyler, Texas, on the first Monday preceding the first Wednesday in May.

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GENERAL OFFICERS.

ST. LOUIS SOUTHWESTERN RAILWAY COMPANY.

S. W. FORDYCE, President	*St. Louis, Mo.*
EDWIN GOULD, Vice-President	*New York, N. Y.*
WINSLOW S. PIERCE, General Counsel	*New York, N. Y.*
*W. B. DODDRIDGE, General Manager	*St. Louis, Mo.*
†J. A. EDSON, General Superintendent	*Texarkana, Ark.*
S. C. JOHNSON, General Auditor	*St. Louis, Mo.*
J. C. OTTESON, Secretary	*New York, N. Y.*
G. K. WARNER, Ass't Secretary and Treasurer	*St. Louis, Mo.*
A. S. DODGE, Freight Traffic Manager	*St. Louis, Mo.*
E. W. LABEAUME, General Pass'r and Ticket Agt.	*St. Louis, Mo.*

ST. LOUIS SOUTHWESTERN RAILWAY COMPANY OF TEXAS.

S. W. FORDYCE, President	*St. Louis, Mo.*
W. B. DODDRIDGE, First Vice-President	*St. Louis, Mo.*
J. A. EDSON, Second Vice-President and Gen'l Sup't	*Tyler, Tex.*
R. D. COBB, Auditor	*Tyler, Tex.*
T. G. HODGE Secretary	*Tyler, Tex.*
J. W. HOGAN, Treasurer	*Tyler, Tex.*
W. B. GROSECLOSE, General Freight Agent	*Tyler, Tex.*
S. G. WARNER, General Passenger Agent	*Tyler, Tex.*

TYLER SOUTHEASTERN RAILWAY COMPANY.

WILLARD FISHER, President	*Dallas, Tex.*
HOWARD GOULD, Vice-President	*New York, N. Y.*
R. D. COBB, Auditor	*Tyler, Tex.*
J. P. DOUGLAS, Secretary	*Tyler, Tex.*
H. H. ROWLAND, Treasurer	*Tyler, Tex.*
J. W. HOGAN, Assistant Treasurer	*Tyler, Tex.*
J. W. DICKINSON, Superintendent	*Tyler, Tex.*
W. B. GROSECLOSE, General Freight Agent	*Tyler, Tex.*
S. G. WARNER, General Passenger Agent	*Tyler, Tex.*

TRANSFER OFFICE: No. 195 Broadway, New York, N. Y.

*Resigned May 10th, 1893. †Appointed June 1st, 1893.

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SECOND ANNUAL REPORT,

"COTTON BELT ROUTE"

St. Louis Southwestern

RAILWAY CO.,

OFFICE OF THE PRESIDENT.

ST. LOUIS, MO., September 1st, 1893.

TO THE BOARD OF DIRECTORS AND STOCKHOLDERS OF THE ST. LOUIS SOUTHWESTERN RAILWAY CO.:

I herewith submit the Second Annual Report of the operations of the property owned and controlled by this Company, showing the financial and physical condition of the same, and containing comparative analytical data, for the fiscal year ended June 30th, 1893:

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MILEAGE OPERATED.

ENTIRE SYSTEM.

The only change in mileage of Main Track operated June 30th, 1892, is the addition of the "Argenta Extension" or connection between the Little Rock Branch of this line and the Main Line of the St. Louis, Iron Mountain & Southern Railway, at Argenta, nine-tenths (.9) of a mile. The net addition to side tracks during the year was 7.9 miles, the cost of which has been charged to Operating Expenses. The following table shows the mileage of the Entire System, June 30th, 1893:

	Main Track.	Side Track.	Total.
St. Louis Southwestern Railway Company—			
Main Line	418.0	99.1	517.1
New Madrid Branch	5.7	.2	5.9
Delta Branch	51.4	8.0	59.4
Little Rock Branch	41.7	3.9	45.6
Magnolia Branch	6.4	.6	7.0
Shreveport Branch	59.5	6.8	66.3
Total	582.7	118.6	701.3
St. Louis Southwestern Railway Company of Texas—			
Main Line	304.6	45.9	350.5
Sherman Branch	109.9	12.6	122.5
Ft. Worth Branch	97.2	13.8	111.0
Hillsboro Branch	40.0	3.9	43.9
Total	551.7	76.2	627.9
Tyler Southeastern Railway Company—			
Main Line	88.6	7.9	96.5
Entire System—Total Mileage	1,223.0	202.7	1,425.7

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FINANCIAL EXHIBITS.

COMPARATIVE FINANCIAL RESULTS FROM OPERATION—ENTIRE SYSTEM.

The financial results from operation of the property for the year ended June 30th, 1893, as compared with previous year, are as follows:

ENTIRE SYSTEM.	Year Ended June 30, 1893.	Year Ended June 30, 1892.	Increase.	Decrease.
GROSS EARNINGS—				
From Freight	$3,988,319 72	$3,551,966 60	$436,353 12	
From Passengers—Local	584,950 85	568,316 67	16,634 18	
From Passengers—Foreign	294,575 67	285,722 76	8,852 91	
From Mails	103,209 39	103,383 07		$173 68
From Express	72,000 00	71,394 11	605 89	
From Telegraph	6,155 12	6,223 97		68 85
From Miscellaneous	66,869 50	49,454 66	17,414 84	
Total Earnings from Operation	$5,116,080 25	$4,636,461 84	$479,618 41	
Per Mile of Road	$ 4,183 22	$ 3,793 85	$ 389 37	
OPERATING EXPENSES (including Betterments)—				
Conducting Transportation	$1,492,555 89	$1,292,893 34	$199,662 55	
Motive Power	1,042,332 92	918,387 76	123,945 16	
Maintenance of Cars	346,662 71	261,555 25	85,107 46	
Maintenance of Way	1,140,856 43	1,131,242 60	9,613 83	
General Expenses	259,424 92	220,215 42	39,209 50	
Total Operating Expenses (including Betterments)	$4,281,832 87	$3,824,294 37	$457,538 50	
Per Mile of Road	$ 3,501 09	$ 3,129 30	$ 371 79	
Per cent. of Gross Earnings	.8369	.8248	.0121	
NET EARNINGS FROM OPERATION	$ 834,247 38	$ 812,167 47	$ 22,079 91	
Per Mile of Road	$ 682 13	$ 664 55	$ 17 58	
Per cent. of Gross Earnings	.1631	.1752		.0121
Add—				
MISCELLANEOUS INCOME	$ 69,135 93	$ 125,099 05		$55,963 12
Total Income from all Sources	$ 903,383 31	$ 937,266 52		$33,883 21
Deduct—				
FIXED AND OTHER PAYMENTS CHARGED AGAINST INCOME:				
Taxes accrued	$ 109,650 06	$ 107,326 22	$ 2,323 84	
Accrued Interest on First Mortgage Bonds (4 per cent.)	800,000 00	800,000 00		
Sundry Amounts	40,117 26	10,247 82	29,869 44	
Total Deductions from Income	$ 949,767 32	$ 917,574 04	$ 32,193 28	
Surplus Income carried to credit of Income (Profit and Loss) Account		$ 19,692 48		
Deficit carried to debit of Income (Profit and Loss) Account	$ 46,384 01			$66,076 49

Briefly analyzed the foregoing table shows the following results:

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An Increase in Gross Earnings from Operation of $479,618.41 or .1034 per cent.

The Gross Earnings for the year ended June 30th, 1893, were the largest in the history of the road, having exceeded $5,000,000.00 for the first time. The increase over the previous year is remarkable in the following particulars:

FREIGHT EARNINGS.—The total increase in Freight Earnings during the fiscal year was $436,353.12 or .1228 per cent.

The Freight Earnings for the first and second six months periods of the fiscal year, stated separately, are as follows:

First six months ended Dec. 31st, 1892	$2,068,405 12	
First six months ended Dec. 31st, 1891	2,048,387 55	
Increase	$ 20,017 57	or .0098 per cent.
Second six months ended June 30th, 1893	$1,919,914 60	
Second six months ended June 30th, 1892	1,503,579 05	
Increase	$ 416,335 55	or .2769 per cent.

During the first six months the shipments of cotton (high class freight) decreased 115,550 bales, which will account, in a measure, for the small increase in Freight Earnings for that period. This decrease in cotton shipments was due to the almost complete failure of the cotton crop in Arkansas; to the existence of certain traffic conditions that diverted a larger proportion than formerly of the Texas cotton crop from the all-rail routes, to the Eastern markets, via the Gulf routes; and to the lateness in moving the cotton, owing to its maturing later than usual, as well as to the low prices for cotton that prevailed during that period. The delay in shipments of cotton does not, however, account for the increase in Freight Earnings during the last six months of the fiscal year, as there was an increase in cotton shipments during that period of 890 bales only, making a net

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decrease for the year ended June 30, 1893, of 114,660 bales. The large increase in Freight Earnings during the last six months is accounted for by a general increase in tonnage of all commodities, with the exception of a few of minor importance. For the fiscal year the largest notable increases are the following: Lumber, 157,197 tons; grain, 46,717 tons; commercial coal, 10,891 tons, all of which are properly termed low class freight. These conditions, viz., the large decrease in shipments of cotton, a "high class" freight, and the increase in shipments of lumber, grain and commercial coal, "low class" freight, were important factors in reducing the average revenue per ton per mile for the year ended June 30th, 1893, viz., $0.0121 as compared with $0.0131 for the previous year.

PASSENGER EARNINGS.—The total increase in Passenger Earnings for the fiscal year was $25,487.09 or .0298 per cent. It is worthy of note that while Passenger Earnings show a decrease during the first six months, there was a substantial increase at the end of the fiscal year.

Stated separately for the first and second six months periods of the fiscal year the result is as follows:

First six months ended Dec. 31st, 1892	$500,830 48	
First six months ended Dec. 31st, 1891	518,168 29	
Decrease	$ 17,337 81	or .0335 per cent.
Second six months ended June 30th, 1893	$378,696 04	
Second six months ended June 30th, 1892	335,871 14	
Increase	$ 42,824 90	or .1275 per cent.

An Increase in Operating Expenses (including Betterments) of $457,538.50 or .1196 per cent.

The expenditures for Betterments, included in the foregoing exhibit of Operating Expenses, during the fiscal year

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ended June 30th, 1893, were $182,665.06 and during the previous year $129,266.71, an increase of $53,398.35. (See detailed statement of such expenditures for the year ended June 30th, 1893, on page 14 of this report.) There were also included in this exhibit of Operating Expenses, expenditures for personal injury claims and other expenses incident to the Crooked Bayou and Altheimer wrecks, which occurred respectively in the months of May and June, 1892 (during the preceding fiscal year), $32,870.54. The sum of these items, $86,268.89, if deducted from the total Operating Expenses for the year ended June 30th, 1893, as shown in the exhibit, would leave the increase in Operating Expenses $371,269.61 only, or .0971 per cent. The smallness of the difference between the ratio of increased Operating Expenses, after excluding the items of an extraordinary nature above enumerated (.0971 per cent), and the ratio of increased Gross Earnings (.1034 per cent) is accounted for by the causes heretofore mentioned, resulting in a decrease in the average revenue per ton per mile, and to increased expenses, necessarily incident to the increase in the number of tons of freight hauled during the year ended June 30th, 1893, as compared with previous year, such increase being 204,116 tons or .1567 per cent.

An Increase in Net Earnings from Operation of $22,079.91, or .0272 per cent.

Considering the conditions heretofore cited in connection with the analysis of Gross Earnings and Operating Expenses, a very favorable showing.

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A Decrease in the item of Miscellaneous Income of $55,963.12.

This decrease is fully explained in the following comparative table:

	Year Ended June 30, 1893.	Year Ended June 30, 1892.
Balance of delayed Expenses and Earnings of the Receivers of the St. Louis, Arkansas & Texas Railway Companies which were included, for the sake of comparison, in the Exhibits of Expenses and Earnings of the St. Louis Southwestern Railway Companies and charged to the General Account with the Receivers when credited to Income Account	$ 20,990 33	$ 82,782 63
Interest on First Mortgage Certificates of the St. Louis Southwestern Railway Company, in Treasury	20,000 00	18,333 33
Adjustment of Material Accounts, etc	3,491 90	5,870 85
Surplus Reorganization Funds	22,903 70	16,362 24
Interest on Bonds Owned	1,750 00	1,750 00
	$ 69,135 93	$125,099 05
Decrease for year ended June 30, 1893	55,963 12	

An Increase in Fixed and Other Payments charged against Income of $32,193.28.

Accounted for as follows:

	Year Ended June 30, 1893.	Year Ended June 30, 1892.	Increase.
Taxes accrued (increase due to net increase in assessments)	$109,650 06	$107,326 22	$2,323 84
Accrued Interest on First Mortgage Bonds (4 per cent.)	$800,000 00	$800,000 00	0 00
Sundry Amounts—			
Interest and Exchange	$ 15,232 55	$ 804 35	
Miscellaneous Expenses, New York Office — account reorganization, etc	13,750 00	8,075 58	
Net Loss over and above Insurance, account of the following fires:			
Car and Paint Sheds, Tyler, Tex., Sept. 18th, 1891 $971 79			
Store Room, Pine Bluff, Ark., March 15th, 1892, 396 10		1,367 89	
Fire at Bird's Point, Mo., Oct. 23d, 1891	9,141 85		
Equipment Trust Expenses, St. Louis Southwestern Car Trust—Series A	1,164 86		
Adjustment of Sundry Accounts	828 00		
Total Sundry Amounts	$ 40,117 26	$ 10,247 82	$29,869 44
Total Fixed and other Payments charged against Income	$949,767 32	$917,574 04	$32,193 28

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INTEREST ON BONDS.

The semi-annual interest on First Mortgage four per cent. bonds was paid as it became due, as follows:

Coupon No. 4, due November 1st, 1892	$400,000 00
Coupon No. 5, due May 1st, 1893	400,000 00

TAXES.

	Taxes Paid Year 1892.	Taxes Paid Year 1891.	Increase.	Decrease.
Missouri	$ 9,282 64	$ 9,655 00	.....	$ 372 36
Arkansas	48,119 19	49,985 31	.....	1,866 12
Louisiana	5,106 36	2,623 08	$2,483 28	.....
Texas	47,589 27	47,140 95	448 32	.....
Total	$110,097 46	$109,404 34	$693 12	.....

BETTERMENTS (INOLUDED IN OPERATING EXPENSES).

Entire System.	Year Ended June 30, 1893.	Year Ended June 30, 1892.	Increase.
Conducting Transportation	$ 8,579 94	$ 5,257 30	$ 3,322 64
Motive Power	21,588 49	3,102 43	18,486 06
Maintenance of Cars	7,605 54	.....	7,605 54
Maintenance of Way	144,891 09	120,906 98	23,984 11
Total	$182,665 06	$129,266 71	$53,398 35

The several items composing the Expenditure for Betterments during the year ended June 30th, 1893, are as follows:

CONDUCTING TRANSPORTATION—		
Relocating Depot at Clarendon incident to erection of New Draw Span Bridge over White River		$ 691 91
New Station Houses—		
Station Building, Humphrey	$ 643 83	
New Station Out-house, Jonesboro	217 25	
New Transfer Shed, Texarkana	2,221 20	$ 3,082 28
Amounts carried forward		$ 3,774 19

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Amounts brought forward...		$ 3,774 19	
CONDUCTING TRANSPORTATION—*Continued*—			
New Track Scales—			
At Jonesboro	$ 939 05		
At Paragould	993 12		
At McNeil	932 99		
At Commerce (incomplete)	148 92	$ 3,014 08	
Additional Stock Pens—			
At New Madrid	$ 104 25		
At Piggott	137 00		
At Hillsboro	182 17		
At Blooming Grove	400 47		
At Wolfe City	49 50		
At Whitewright	184 93		
At Renner	291 34		
At Grapevine	442 01	$ 1,791 67	$ 8,579 94
MOTIVE POWER—			
Engine Houses, Turn-tables, Etc.—			
Addition to Round House, Jonesboro	$ 3,180 13		
New Ice-house and Yard-master's Office, Jonesboro	829 30		
New Turn-table, Fair Oaks	634 10	$ 4,643 53	
New Fuel Station—			
At Fair Oaks		$ 802 23	
Cost of Applying Air-Brakes—			
To Locomotives		11,640 00	
New Machinery—			
For Jonesboro Shops	$ 1,473 75		
For Pine Bluff Shops	1,525 00	$ 2,998 75	
Water Stations—			
New Water Station, Waco	$ 1,428 11		
Raising Water Tank at Clarendon, incidental to erection of New Draw Span Bridge over White River	75 87	$ 1,503 98	$ 21,588 49
MAINTENANCE OF CARS—			
Cost of changing Baggage Car to Combination Baggage, Mail and Express Car		$ 350 00	
Cost of changing Baggage Car to Combination Baggage, Mail, Express and Passenger Car		400 00	
Amounts carried forward		$ 750 00	$ 30,168 43

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Amounts brought forward...		$ 750 00	$ 30,168 43
MAINTENANCE OF CARS—*Continued*—			
Cost of changing Combination Cars into Day Coaches		2,737 00	
Cost of applying Air-Brakes to Flat Cars		1,971 00	
New Shed for storing Car Material at Pine Bluff		889 29	
New Car Inspectors' and Yard-master's office at Malden		657 10	
New Machinery for Pine Bluff Shops		601 15	$ 7,605 54
MAINTENANCE OF WAY—			
Improvements to Track, Bird's Point Section, damaged by floods—such improvements being permanent and of a nature to prevent a recurrence of serious damage under similar conditions		$11,869 64	
New Bridges—			
New Draw Span over White River	$37,526 92		
Work incidental to erection of New Draw Span Bridge over White River:			
Raising Approach to Bridge	1,655 65		
Placing Rock around Piers	800 00		
Grading, Raising and Re-arranging Tracks to Approach of Bridge	3,375 99	$43,358 56	
New Trestles—			
Overflow District:			
Bird's Point Section	$5,771 41		
Little Rock Section	1,719 37		
Wabbaseca Bottom	1,763 77	$ 9,254 55	
Extending Trestle No. 73, Shreveport Section		329 24	
Raising Trestles to New Grade, Bird's Point Section		1,455 30	
Raising Approaches to Trestles—			
Shreveport Section	$ 145 63		
Red River Bottom	3,872 36	4,017 99	$15,057 08
New Drain Boxes, Texarkana Yard		$ 86 45	
Grading and Ballasting Tracks in Pine Bluff Yard		696 17	
Grading, Ballasting and Re-arranging Tracks in Jonesboro Yards		3,184 20	
Amounts carried forward..		$74,252 10	$ 37,773 97

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Amounts brought forward...		$ 74,252 10	$ 37,773 97
MAINTENANCE OF WAY—*Continued*—			
New Cattle Guards and Crossings.....		326 90	
New Standard Tile Culverts.....		6,713 89	
New Saw Mill Spurs, Private and Side Tracks—			
Ties	$ 2,713 67		
Frogs.....	878 40		
Steel Rails.....	8,547 65		
Spikes.....	702 95		
Splices, etc	645 37		
Switch Fixtures.....	838 22		
Labor Grading and Putting in.....	11,459 62	$25,785 88	
New Fence		$ 5,394 06	
Land Purchased for Steam Shovel Pit		150 00	
Widening Narrow Gauge Banks to Standard Widths and Ditching.....		26,257 31	
Improvements, Fair Oaks—			
Grading, Grubbing and Putting in Tracks.....	$ 1,661 74		
New Combination Section and Eating House	1,918 86	3,580 60	
Engineering Expenses—			
Cost of Special Surveys.....		2,430 35	$144,891 09
Total.....			$182,665 06

The foregoing table of betterments demonstrates that the physical condition of these properties has been materially improved. Recognizing the future benefits to be derived, and the comparatively small expense involved, the policy of gradually improving and placing the condition of the properties in the highest state of efficiency is steadily continued, and the benefits from these expenditures, as well as similar expenditures made in past years, are now manifesting themselves in reduced cost of operation and maintenance, and in increased earning capacity of the properties. In this connection, the table appearing in the appendix of this report (page 64), exhibiting the gross earnings of the entire system, by months, for the past five years, will be of interest, showing, as it does, the steady and continuous increase from year to year.

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CONDENSED BALANCE SHEET—ENTIRE SYSTEM—JUNE 30TH, 1893.

[NOTE.—See Appendix for Condensed Balance Sheet of each Company separately.]

To Cost of Road and Equipment		$ 65,335,993 14	By Capital Stock—		
Construction Accounts		21,530 95	Preferred	$ 20,000,000 00	
Real Estate		27,327 95	Common	16,509,000 00	$ 36,509,000 00
Investments in Bonds		26,500 00	Bonds—		
Advances to Sundry Agents—to be accounted for		37,164 62	First Mortgage (4 per cent.)	$ 20,000,000 00	
			Second Mortgage Income (4 per cent.)	8,000,000 00	28,000,000 00
			Equipment Trust Obligations		714,339 98
Current Assets, viz.:			Current Liabilities, viz.:		
Cash	$ 90,002 14		Interest on Bonds—due and accrued	$ 156,613 33	
Sundry Accounts Collectible	157,118 24		Sundry Accounts Payable	846,535 79	1,003,149 12
Supplies and Material on hand	221,235 67		*Balance to credit of Income (Profit and Loss) Account, June 30th, 1893, as per detailed exhibit on following page*		**195,819 47**
First Mortgage Bonds St. Louis Southwestern Railway Company in Treasury (par value)	500,000 00	968,356 05			
Miscellaneous Accounts		5,435 86			
		$ 66,422,308 57			$ 66,422,308 57

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INCOME (PROFIT AND LOSS) ACCOUNT—ENTIRE SYSTEM.

YEAR ENDED JUNE 30TH, 1893.

[NOTE.—See Appendix for Income Account of each Company separately.]

Net Earnings from Operation for year ended June 30th, 1893, as shown on page 9	$ 834,247 38	
Add—		
Miscellaneous Income for year ended June 30th, 1893, as shown on page 9	69,135 93	
Total Income from all Sources		$ 903,383 31
Deduct—		
Fixed and other Payments chargeable against Income:		
Taxes Accrued	$ 109,650 06	
Accrued Interest on First Mortgage Bonds, (4 per cent.)	800,000 00	
Sundry Amounts	40,117 26	949,767 32
Deficit for year ended June 30th, 1893		$ 46,384 01
Balance to credit of Income (Profit and Loss) Account, July 1st, 1892	$ 572,190 50	
Less—		
For balance of the Receivers' Liabilities assumed and paid, less the amount of the Receivers' Assets received by this Company, to June 30th, 1893, such liabilities being payable from the revenues of the Company, and from surplus Reorganization funds which have been credited to Income Account as received:		
Receivers St. L., A. & Tex. R'y in Arkansas and Missouri	$ 80,843 16	
Receivers St. L., A. & Tex. R'y in Texas	249,143 86	329,987 02
		242,203 48
Balance to credit of Income (Profit and Loss) Account, June 30th, 1893		$ 195,819 47

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COST OF ROAD AND EQUIPMENT—ENTIRE SYSTEM.

YEAR ENDED JUNE 30TH, 1893.

Total Cost to July 1st, 1892			$65,075,680 59
Changes during year ended June 30th, 1893—			
RIGHT OF WAY SETTLEMENTS		$ 5,573 37	
EQUIPMENT—			
New Equipment purchased under St. Louis Southwestern Car Trust Agreement, dated June 16th, 1893—			
Series "A," 500 New Box Cars, 60,000 lbs. capacity	$275,000 00		
Additional Equipment—			
Dismantled Narrow Gauge Engines rebuilt (to Standard Gauge) and placed in service or subject to sale	$ 21,502 77		
Freight Cars rebuilt	11,625 52		
Baggage, Mail and Express Car rebuilt	2,035 43		
	$310,163 72		
Less—			
Cars destroyed during year that will not be rebuilt (loss charged to Operating Expenses monthly as cars were destroyed)	$38,925 00		
One Narrow Gauge Engine destroyed by explosion, and four sold	16,499 54	55,424 54	
		254,739 18	
Total Net Additions for the year			260,312 55
Total Cost of Road and Equipment to June 30th, 1893			$65,335,993 14

CONSTRUCTION ACCOUNTS.

Total Cost to July 1st, 1892		$ 20,722 81
Changes during year ended June 30th, 1893—		
Cost of Survey—Delta to Cape Girardeau		808 14
Total Cost to June 30th, 1893		$ 21,530 95

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CURRENT ASSETS AND CURRENT LIABILITIES—ENTIRE SYSTEM.

YEAR ENDED JUNE 30TH, 1893.

The items of Current Assets and Current Liabilities appearing in the Condensed Balance Sheet on page 18 are shown more in detail in the following table:

CURRENT ASSETS.		
CASH—		
In Treasury	$ 4,715 84	
In Transit, Account Agents	53,713 98	
A. C. Bates, Paymaster	8,292 32	
Central Trust Co. of New York—Coupon Account	23,280 00	$ 90,002 14
SUNDRY ACCOUNTS COLLECTIBLE—		
Station Agents and Conductors	$ 41,668 33	
Foreign Roads—Freight, Ticket and Mileage Accounts	23,382 07	
Bills Receivable	2,380 25	
U. S. Post Office Department	25,797 87	
Pacific Express Co	6,000 00	
Superintendent of Telegraph	448 76	
Individuals and Companies—Open Acc'ts	57,440 96	157,118 24
SUPPLIES AND MATERIAL ON HAND—		
Shop Supplies	$111,920 81	
Fuel	24,515 52	
Bridge and Building Material	40,120 10	
Cross Ties	17,179 75	
Steel Rails—New	335 23	
Second-hand Rails	18,367 17	
Narrow Gauge Locomotives—Dismantled, subject to sale	3,455 35	
Stationery Stock	5,341 74	221,235 67
FIRST MORTGAGE BONDS St. Louis Southwestern Railway Co. in Treasury (Par value)		500,000 00
Total Current Assets		$ 968,356 05
CURRENT LIABILITIES.		
INTEREST ON BONDS—		
Due and Unpaid (Unpresented Coupons—Money to pay on deposit with Central Trust Co. of New York)	$ 23,280 00	
Accrued, not due	133,333 33	$ 156,613 33
SUNDRY ACCOUNTS PAYABLE—		
Audited Vouchers and Pay Rolls prior to June 1st, 1893	$212,727 56	
Audited Vouchers and Pay Rolls, June, 1893—Not payable until July 20th, 1893	309,051 83	
Bills Payable	270,130 65	
Taxes Year 1893 (accrued, not due)	54,625 75	846,535 79
Total Current Liabilities		$1,003,149 12
Balance of Current Liabilities in Excess of Current Assets		$ 34,793 07

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CAPITAL STOCK — ENTIRE SYSTEM.

YEAR ENDED JUNE 30TH, 1893.

Description.	Number of Shares Authorized.	Par Value of Shares.	Total par Value Authorized.	Total Amount Issued and Outstanding.
Preferred.....	200,000	$100 00	$20,000,000 00	$20,000,000 00
Common	165,090	100 00	16,509,000 00	16,509,000 00
	365,090	.....	$36,509,000 00	$36,509,000 00

BONDS—ENTIRE SYSTEM.

YEAR ENDED JUNE 30TH, 1893.

Description.	Time.		Amount of Authorized Issue.	Amount Issued.	Amount Outstanding.	Interest.	
	Date of Issue.	When Due.				Rate.	When Payable.
First Mortgage.....	Nov. 1, 1890.	Nov. 1, 1989.	$20,000,000 00	$20,000,000 00	$20,000,000 00	4%	May and November.
Second Mortgage, Income.....	Nov. 1, 1890.	Nov. 1, 1989.	10,000,000 00	8,000,000 00	8,000,000 00	4%	January and July.
			$30,000,000 00	$28,000,000 00	$28,000,000 00		

EQUIPMENT TRUST OBLIGATIONS—ENTIRE SYSTEM.

The amount of Equipment Trust Notes—St. Louis, Arkansas & Texas Series "A 1" and Series "A 37," outstanding (not due) July 1st, 1892, was.....	$ 521,688 52
Deduct—	
Notes accruing during year ended June 30th, 1893, that were paid as they fell due, amounting to	82,348 54
Balance of Old Series unpaid (not due) June 30th, 1893.....	$ 439,339 98
Add—	
St. Louis Southwestern Car Trust, Series "A," agreement dated June 16th, 1893, for 500 New Box Cars, 60,000 lbs. capacity	275,000 00
Total outstanding (not due) June 30th, 1893.....	$ 714,339 98

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The following statement, considered in connection with the preceding financial statements, furnishes in a condensed form, an analysis of all resources, showing how the same were applied, during the year ended June 30th, 1893 :—

SUMMARY OF FINANCIAL TRANSACTIONS—ENTIRE SYSTEM.

RESOURCES.

Gross Earnings	$ 5,116,080 25
Interest on Bonds owned	1,750 00
Miscellaneous Credits to Income Account	67,385 93
Equipment Trust Obligations (St. Louis Southwestern Car Trust—Series "A")	275,000 00
Hospital Fund	2,272 57
Donated Town Lot Sales	2,727 50
Increase in Current Liabilities	77,892 23
Decrease in Current Assets	98,164 60
	$ 5,641,273 08

APPLICATION OF RESOURCES.

Operating Expenses (including $182,665.06 expended for Betterments)	$ 4,281,832 87
Taxes	109,650 06
Interest and Exchange	15,232 55
Interest on First Mortgage Bonds	800,000 00
Miscellaneous Charges against Income Account	24,884 71
Equipment Trust Notes paid (St. Louis, Arkansas & Texas—Old Series)	82,348 54
New Equipment	254,739 18
Right of Way Settlements	5,573 37
Survey—Delta to Cape Girardeau	808 14
Advances to Sundry Agents—to be accounted for	11,662 48
Equipment Replacement Fund	4,359 70
Receivers St. Louis, Arkansas & Texas Railway Co., in Arkansas and Missouri and in Texas—General Accounts	26,613 99
Increase in Sundry Accounts in Suspense	23,567 49
	$ 5,641,273 08

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TRAFFIC.

FREIGHT TRAFFIC.

TONNAGE AND REVENUE—ENTIRE SYSTEM.

	Year Ended June 30, 1893.	Year Ended June 30, 1892.	Increase.	Decrease.
No. of Tons carried	1,506,696	1,302,580	204,116	
No. of Tons carried one mile	329,183,200	270,433,058	58,750,142	
Average distance haul of one Ton (miles)	218.48	207.61	10.87	
*Total Freight Earnings	$3,988,319.72	$3,551,966.60	$ 436,353.12	
*Average Earnings per Ton	$2.6471	$2.7269		$0.0798
*Average Earnings per Ton per mile	$0.0121	$0.0131		$0.0010

*Actual Earnings derived from hauling Freight, not including any portion of Miscellaneous Earnings.

On the 3rd day of April, 1891, the Legislature of the State of Texas passed an Act creating a Railroad Commission composed of three men to be appointed by the Governor. The Act empowered the Commission, and made it their duty, to fix rates for all classes of freight for each railroad within the State; to classify and subdivide all freight and property which might be transported over the railroads within the State; to fix the rate of freight on all classes of freight transported over several connecting lines, and to apportion to each carrier its proportion of such rate. The Act inflicted severe penalties for any violation of the law, or any requirement of the Commission, and made these penalties cumulative, expressly declaring that the Act should not repeal any

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other Act inflicting penalties against railroads in respect to the subject. The Commission proceeded to fix rates on all classes of freights, in accordance with the power vested in it, which rates were in the main lower than the rates in force on the roads at the time the Act creating the Commission took effect.

This road, with others, acting under the advice of its counsel, determined to give the Commission law and the tariffs promulgated by the Commission a fair and impartial trial, and accordingly, for eight months, charged only the rates of freight fixed by the Commission. The test showed, without dispute or controversy, that the rates fixed by the Commission were unjust and confiscatory, in that your lines in Texas were unable to earn their operating expenses, although very economically operated. The Commission was advised of the result of the test of the tariffs promulgated by it, but it nevertheless refused to alter the rates it had so fixed. On April 30th, 1892, the various Trust Companies, Trustees in the mortgages on the several roads hereinafter mentioned, instituted suit in the United States Circuit Court for the Western District of Texas, at Austin, against the Texas & Pacific Railway Company, the Gulf, Colorado & Santa Fe Railway Company, the International & Great Northern Railroad Company, the St. Louis Southwestern Railway Company of Texas, and the Tyler Southeastern Railway Company, to each of which suits the Railroad Commission and the Attorney General of Texas were made co-defendants.

The object of the suit was to enjoin the Railroad Commission from enforcing the rates of freight it had already promulgated, and also to restrain that body from fixing any rates of freight, on the ground that the bill creating the

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Commission violated the Constitution of the United States and of the State of Texas, and that the rates fixed by the Commission were confiscatory. The petition for a preliminary restraining order was heard in the following month of July in Chambers at Dallas, Texas, before the Hon. A. P. McCormick, one of the United States Circuit Judges for the 5th Circuit. All the facts were thoroughly presented to Judge McCormick, by affidavits of the officials of the various defendant companies, and the case thoroughly argued on both sides for several days by many distinguished lawyers. On July 20, 1892, Judge McCormick rendered his decision, holding the law creating the Commission to be unconstitutional. An order was made restraining the Commission from promulgating any rates, or enforcing rates already promulgated, and restraining the defendant Railway Companies from enforcing the rates fixed by the Commission or obeying any of the provisions of the law creating such Commission. In obedience to this order of the Court these companies, on September 1, 1892, restored the rates on all freight which were in force at the time the Commission first fixed the rates for the same. The Commission took no appeal from the temporary restraining order of Judge McCormick, but immediately began preparations for final hearing of the cases upon their merits. The various defendant roads also prepared themselves. Much time and labor were expended by counsel for the Railway Companies in taking of the testimony. A great volume of testimony was also taken on behalf of the Commission. Afterwards, at the regular term of the United States Circuit Court at Austin, on the 24th day of March, 1893, by agreement of Counsel, the testimony taken on both sides was withdrawn

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and the cases finally submitted upon the bills, answers and demurrers. Judge McCormick, after due consideration, adhered to his order in Chambers, and made the temporary restraining order perpetual. These companies are, therefore, prohibited by the order of the Court from obeying the Commission or enforcing any of the provisions of the law creating the Commission. The Railroad Commission appealed all the cases to the Supreme Court of the United States, where they are now pending.

As a result of the cancellation of the Commissioners' rates in Texas on September 1st, 1892, after having been in effect during the first two months of the fiscal year for which this report is made, as well as during the greater portion of the preceding fiscal year; the roads were enabled to go back to the more remunerative rates in effect prior to the formation of the Commission.

The decrease in revenue per ton per mile is largely attributable to the shortage in cotton shipments—the decrease being 114,660 bales for the fiscal year ended June 30th, 1893, as compared with the previous fiscal year—owing to the partial failure of the Arkansas crop; and the increased tonnage movement in lumber, coal and grain, which are low rate commodities. The increase in freight earnings, in spite of these conditions, is largely due to the improved physical condition of the property, enabling it to better compete with other lines working in the same territory; and to the development of the natural resources of the territory through which the line runs.

Following this will be found a table showing the number of tons of freight hauled during the year ended June 30th, 1893, compared with the previous year, classified by the various commodities. It also shows the relative percentage

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of the tonnage of each commodity to the total tonnage of all commodities. As indicative of the natural resources of the territory tributary to this line, this statement will be found interesting. Considerably more than one-half of the total tonnage hauled being composed of lumber, cotton, cotton-seed products, grain and live stock, all of which freight originates on the line of the road or in the territory immediately adjacent thereto.

CLASSIFICATION OF TONNAGE—ENTIRE SYSTEM.

Commodities.	Year Ended June 30, 1893.		Year Ended June 30, 1892.		Increase, Tons.	Decrease, Tons.
	Per Cent.	Tons.	Per Cent.	Tons.		
Lumber	.548	826,069	.512	668,872	157,197	
Cotton	.056	84,690	.088	114,215		29,525
Cotton Seed Products	.035	51,230	.041	53,530		2,300
Grain	.068	103,006	.043	56,289	46,717	
Flour	.029	43,979	.029	37,221	6,758	
Other Mill Products	.010	14,748	.010	13,168	1,580	
Hay	.015	22,932	.014	17,961	4,971	
Tobacco	.001	394	.001	447		53
Vegetables	.006	9,749	.008	10,831		1,082
Live Stock	.024	37,426	.014	17,783	19,643	
Bacon	.008	13,050	.012	15,607		2,557
Merchandise	.042	63,368	.052	68,148		4,780
Coal	.057	86,056	.058	75,165	10,891	
Oil	.012	17,978	.016	21,235		3,257
Sugar	.004	5,709	.004	5,213	496	
Agricultural Implements	.002	2,788	.002	2,002	786	
Emigrant Outfit	.005	7,140	.005	6,227	913	
Salt	.006	8,476	.007	9,081		605
Wine, Liquors and Beer	.005	8,199	.007	9,323		1,124
Miscellaneous	.067	99,709	.077	100,262		553
Total	1.000	1,506,696	1.000	1,302,580	249,952	45,836
				Net Increase	204,116	

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PASSENGER TRAFFIC.

Passenger traffic shows a handsome increase during the fiscal year just ended as compared with the previous year. The average earnings per passenger per mile, showing a very slight decrease, indicates that passenger rates have been well maintained.

The following comparative tables furnish a complete analysis of the passenger traffic for the year, and it is gratifying to note that increases in passenger earnings appear both in local and through business.

The improved condition of the property and the regularity of its train service, are important factors in popularizing the line with the traveling public.

PASSENGERS CARRIED AND REVENUE—ENTIRE SYSTEM.

	Year Ended June 30, 1893.	Year Ended June 30, 1892.	Increase.	Decrease.
Number of Passengers carried..	842,493	833,293	9,200	....
Number of Passengers carried one mile.....	35,019,502	33,131,148	1,888,354	....
Average distance one Passenger carried (miles).....	41.57	39.76	1.81	.....
*Total Passenger Earnings.....	$ 879,526.52	$ 854,039.43	$ 25,487.09	.....
*Average Earnings per Passenger.....	$1.0440	$1.0249	$0.0191	.....
*Average Earnings per Passenger per mile.....	$0.0251	$0.0258	....	$0.0007

*Actual Earnings derived from hauling Passengers, not including Mail and Express nor any portion of Miscellaneous Earnings.

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CLASSIFICATION OF PASSENGERS AND PASSENGER REVENUE—ENTIRE SYSTEM.

	Year Ended June 30, 1893.	Year Ended June 30, 1892.	Increase.	Decrease.
PASSENGERS CARRIED—				
Local Tickets	656,520	653,822	2,698	
Cash Fares	129,488	115,757	13,731	
Home Coupon Tickets	23,308	25,074		1,766
Foreign Coupon Tickets	33,177	38,640		5,463
Total	842,493	833,293	9,200	
PASSENGERS CARRIED ONE MILE—				
Local Tickets	18,795,785	18,405,094	390,691	
Cash Fares	1,721,976	1,583,701	138,275	
Home Coupon Tickets	5,218,308	4,496,328	721,980	
Foreign Coupon Tickets	9,283,433	8,646,025	637,408	
Total	35,019,502	33,131,148	1,888,354	
PASSENGER EARNINGS—				
Local Tickets	$529,927 85	$518,846 34	$11,081 51	
Cash Fares	55,023 00	50,066 52	4,956 48	
Home Coupon Tickets	108,626 03	98,143 43	10,482 60	
Foreign Coupon Tickets	185,949 64	186,983 14		$1,033 50
Total	$879,526 52	$854,039 43	$25,487 09	
EARNINGS PER PASSENGER—				
Local Tickets	$0.8072	$0.7936	$0.0136	
Cash Fares	0.4249	0.4325		$0.0076
Home Coupon Tickets	4.6605	3.9141	0.7464	
Foreign Coupon Tickets	5.6048	4.8391	0.7657	
Total	$1.0440	$1.0249	$0.0191	
EARNINGS PER PASSENGER PER MILE—				
Local Tickets	$0.0282	$0.0282		
Cash Fares	0.0320	0.0316	$0.0004	
Home Coupon Tickets	0.0208	0.0218		$0.0010
Foreign Coupon Tickets	0.0200	0.0216		0.0016
Total	$0.0251	$0.0258		$0.0007

NOTE.—The above results are based on actual Earnings derived from hauling Passengers, not including Mail and Express nor any portion of Miscellaneous Earnings.

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CONDUCTING TRANSPORTATION.

MILEAGE AND CAR SERVICE STATISTICS—ENTIRE SYSTEM.

COMPARATIVE FOR YEARS ENDED JUNE 30TH, 1893-92.

FREIGHT.	Year Ended June 30, 1893.	Year Ended June 30, 1892.	Increase.	Decrease.
No. of Trains Run	22,293	19,262	3,031	
No. of Loaded Cars Moved	399,657	336,318	63,339	
No. of Empty Cars Moved	161,420	142,895	18,525	
Total No. of Cars Moved	561,077	479,213	81,864	
No. of Miles Run by all Freight Trains	2,217,705	1,892,895	324,810	
No. of Miles Run by Loaded Cars	31,995,299	26,875,298	5,120,001	
No. of Miles Run by Empty Cars	9,469,410	9,553,015		83,605
No. of Miles Run by all Cars	41,464,709	36,428,313	5,036,396	
No. of Miles Run by Home Cars	19,218,982	18,329,984	888,998	
No. of Miles Run by Foreign Cars	22,245,727	18,098,329	4,147,398	
No. of Miles Run by Home Cars on Foreign Lines	9,429,001	10,800,469		1,371,468
Percentage of Empty Car Mileage to Total Car Mileage	23	26		3
Average No. of Trains Run Daily	61	53	8	
Average No. of Loaded Cars Moved Daily	1,095	919	176	
Average No. of Empty Cars Moved Daily	442	390	52	
Average No. of all Cars Moved Daily	1,537	1,309	228	
Average No. of Loaded Cars in Each Train	14.43	14.20	.23	
Average No. of Empty Cars in Each Train	4.27	5.05		.78
Average No. of all Cars in Each Train	18.70	19.25		.55
Average No. of Miles Run by Trains Daily	6,076	5,172	904	
Average No. of Miles Run by Each Train	99	98	1	
Average No. of Miles Run by Loaded Cars in Each Train	1,435	1,395	40	
Average No. of Miles Run by Empty Cars in Each Train	425	496		71
Average No. of Miles Run by all Cars in Each Train	1,860	1,891		31
Average No. of Miles Run per Car per Day—Home Cars	24	22	2	
Average No. of Miles Run per Car per Day—Foreign Cars	23	26		3
Average No. of Miles Run per Car per Day—This Company's Cars on Foreign Lines	16	18		2
Average No. of Cars on Line—Home	2,212	2,285		73
Average No. of Cars on Line—Foreign	2,700	1,939	761	
Average No. of this Company's Cars on Foreign Lines	1,616	1,652		36

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MILEAGE AND CAR SERVICE STATISTICS—ENTIRE SYSTEM—*Continued.*

PASSENGER.	Year Ended June 30, 1893.	Year Ended June 30, 1892.	Increase.	Decrease.
No. of Trains Run	8,201	6,872	1,329	
No. of Cars Moved	32,660	26,971	5,689	
No. of Miles Run by Trains	1,241,859	1,103,351	138,508	
No. of Miles Run by Home Cars	4,629,209	4,454,368	174,841	
No. of Miles Run by Foreign Cars	913,229	779,857	133,372	
No. of Miles Run by All Cars	5,542,438	5,234,225	308,213	
Average No. of Trains Run Daily	22	19	3	
Average No. of Cars Moved Daily	89	74	15	
Average No. of Cars Moved in Each Train	3.98	3.97	.01	
Average No. of Miles Run by Trains Daily	3,402	3,023	379	
Average No. of Miles Run by Each Train	151	161		10
Average No. of Miles Run by Cars Daily	15,185	14,301	884	
Average No. of Miles Run Per Car Per Day—Home Cars	174	148	26	
Average No. of Miles Run Per Car Per Day—Foreign Cars	227	178	49	
Average No. of Cars on Line—Home	73	82		9
Average No. of Cars on Line—Foreign	11	12		1

The results shown in the foregoing table are based practically on the same number of freight and passenger cars for both years.

During the month of June, 1893, there was added to the freight equipment of these companies, 500 new box cars of 60,000 pounds capacity each, purchased under car trust agreement. This addition will very materially increase the earning capacity of the line as well as reduce the large balance that has prevailed against it for interchange of cars with other roads.

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A transfer shed was erected at Texarkana, Ark. (completed in May, 1893), at which point transferring of freight from foreign cars may be advantageously accomplished. From this improvement in facilities, it is anticipated that great economies will obtain in the handling of cars in the following particulars: 1st. It will assist the Car Service Department in the prompt placing of foreign cars in the saw-mill districts of Arkansas for lumber loading. 2d. It will result also in a very short haul of such cars empty, and largely decrease the mileage of foreign cars in Texas.

The stage of water in the Ohio and Mississippi rivers became so low during the months of October and November, 1892, as to seriously impede the operation of transfer boats between Bird's Point, Mo., and Cairo, Ill., the northern terminus of the line.

The blockade that occurred on the lines of our Eastern connections on account of snow and ice during the months of December, 1892, and January and February, 1893, adversely affected the movement of freight cars very considerably.

The movement of cars during the month of May, 1893, was seriously delayed on account of the extraordinary overflows from the Ohio and Mississippi rivers prevailing during that period.

These were the only serious interruptions to traffic during the year ended June 30th, 1893.

The business accruing from the handling of Texas cattle destined to the St. Louis and Chicago markets, via the St. Louis, Iron Mountain & Southern Railway at Texarkana,

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shows a very gratifying increase. There was handled during the year ended June 30th, 1893, 3,402 cars against 1,617 cars during the previous year, an increase of 1,785 cars. The service continues satisfactory to shippers and proves a profitable class of business to these companies. The time made by these stock trains has been good and no accidents of any consequence have occurred to them.

At the close of the fiscal year through sleeping car service was projected between St. Louis and Waco, Corsicana, Tyler and other Texas points, via the St. Louis, Iron Mountain & Southern Railway and Texarkana. This service was inaugurated on August 20th, 1893, and the schedule shows a saving of from four to six hours' time over other lines, between the points named, and it is confidently anticipated that the business resulting therefrom will be a profitable source of revenue.

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MAINTENANCE OF WAY.

ROAD DEPARTMENT.

CHARACTER OF RAIL IN MAIN TRACK, JUNE 30TH, 1893.

	56-lb. Steel.	35-lb. Steel.	Total Miles.
ST. LOUIS SOUTHWESTERN R'Y CO.—			
Main Line	418.00	.....	418.00
New Madrid Branch	.....	5.70	5.70
Delta Branch	51.40	.....	51.40
Little Rock Branch	41.70	.....	41.70
Magnolia Branch	.02	6.38	6.40
Shreveport Branch	59.50	.....	59.50
Total	570.62	12.08	582.70
ST. LOUIS SOUTHWESTERN R'Y CO. OF TEXAS—			
Main Line	260.80	43.80	304.60
Sherman Branch	110.00	.....	110.00
Ft. Worth Branch	97.10	.....	97.10
Hillsboro Branch	40.00	.....	40.00
Total	507.90	43.80	551.70
TYLER SOUTHEASTERN R'Y CO.—			
Main Line	.....	88.60	88.60
Entire Line	1,078.52	144.48	1,223.00

No new rail was purchased during the fiscal year just ended. It is estimated that it will be necessary to purchase during the ensuing year sufficient new rail to lay about twenty miles of track, in order to replace the rail that is rapidly wearing out in the main track on sharp curves between Pine Bluff, Ark., and Tyler, Tex. With this exception the rail in the main track continues to wear well.

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ROAD DEPARTMENT.

COMPARATIVE STATEMENT OF MAINTENANCE AND IMPROVEMENTS DURING YEAR ENDED JUNE 30TH, 1893-92.

CHARACTER OF WORK.	St. L. S-W. R'y Co.		St. L. S-W. R'y Co. of Texas.		T. S-E. R'y Co.		Entire System.	
	Year Ended June 30, 1893.	Year Ended June 30, 1892.	Year Ended June 30, 1893.	Year Ended June 30, 1892.	Year Ended June 30, 1893.	Year Ended June 30, 1892.	Year Ended June 30, 1893.	Year Ended June 30, 1892.
Miles of Track ditched by Plow	44.3	91.0	51.4	22.8	.....	.....	95.7	113.8
Miles of Track Ballasted	37.7	35.0	32.8	16.8	.4	.1	70.9	51.9
Miles of Track relaid with 56-lb. Steel	1.2	.8	1.8	1.0	.....	.....	3.0	1.8
Miles of Track relaid with 35-lb. Steel	.9	2.1	.1	.2	.2	.1	1.2	2.4
Miles of New Saw Mill Spurs, Private and Side Tracks	9.1	7.3	3.4	3.9	.....	2.0	12.5	13.2
Miles of Old Side Tracks taken up	3.2	.....	1.4	.9	.....	.....	4.6	.9
Number of Cross Ties placed in Track	277,725	290,422	262,413	256,795	8,641	58,594	548,779	605,811
Sets of Switch Ties placed in Track	136	87	88	113	4	5	228	205

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Of the 37.7 miles of St. Louis Southwestern Railway Company's track ballasted, 32.1 miles was ballasted with gravel and sand, and 5.6 miles with cinders. The total number of miles of track ballasted by the St. Louis Southwestern Railway Company of Texas was 32.8, of which 22.4 miles was gravel and sand, 3 miles cinders, and 7.4 miles rock. On the Tyler Southeastern Railway, .4 of one mile was ballasted with cinders.

Of the 12.5 miles of new saw mill spurs, private and side tracks, laid during the year ended June 30th, 1893, nearly the whole amount was for the accommodation of saw mills and other industries, a very small portion being for passing tracks, and additions to yards.

In addition to the work of maintenance and improvement mentioned in the foregoing comparative table, the following is worthy of special mention:

Track raised where subject to overflow, 10.5 miles, at a cost of about $25,000.00. Of this, 8.5 miles was on the St. Louis Southwestern Railway, 1.4 miles on the St. Louis Southwestern Railway of Texas, and .6 of one mile on the Tyler Southeastern Railway. In the mileage of track raised on the St. Louis Southwestern Railway is partially embraced the work of necessary improvement, mentioned in the last annual report, between Bird's Point and Smithton—mile posts 1 to 6—which was undertaken and completed from mile posts 1 to 3, during the fiscal year ended June 30th, 1893. Fifteen hundred feet of trestle opening was added and the grade line from the trestle to Bird's Point yard was raised and anchored on stone to stand forty-eight feet of water on the Cairo gauge, which enabled the Company to keep the line

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open between Bird's Point and Smithton during the overflow period in the month of May, 1893, operating in some places, however, through two and one-half feet of water, between mile posts 3 and 6.

On the main line of the St. Louis Southwestern Railway Company of Texas, the track in Cedar Creek Bottom between mile posts 596 and 597, and in Rush Creek Bottom between mile posts 629 and 630, was raised and additional trestle openings provided. At both of these points, traffic has heretofore been interrupted quite frequently, by reason of overflows from high water.

Narrow gauge cuts and embankments were changed to standard widths as follows: On the St. Louis Southwestern Railway 42.7 miles, and on the St. Louis Southwestern Railway of Texas 4.2 miles, at a cost aggregating about $17,000.00.

During the year, on the St. Louis Southwestern Railway, 27.6 miles of standard new wire fence have been built, on such portions of the line as the records of the Stock Claim Department showed it to have been most needed. On the line of the St. Louis Southwestern Railway Company of Texas, but little fencing has been done during the year, the work being purposely confined to wings to cattle guards and approaches to trestles, with the exception of one or two cases where the fence was made the basis of a settlement for right of way, the total aggregating but 2.7 miles of standard Texas fence.

At the beginning of the fiscal year, log drains or culverts on the Pine Bluff section of the St. Louis Southwestern Railway, were in such a bad condition, that it was deemed necessary to put on a special force of men to rebuild them;

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this force has worked steadily during the year putting in culverts of double strength—drain tile with brick parapets. The work has been well done and a total of fifty-nine single-pipe culverts and sixteen double-pipe culverts have been built, at a total cost of about $11,000.00. It is absolutely necessary that this work be carried on during the ensuing year.

On the line of the St. Louis Southwestern Railway of Texas, thirty-two tile drain culverts were substituted for defective log drains, at a cost of $2,900.00. A few more will be required during the ensuing year.

The physical condition of the track throughout the entire system has not only been maintained, but materially improved during the past year.

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BRIDGES AND BUILDINGS DEPARTMENT.

BRIDGES—STATEMENT OF TRESTLE BRIDGING, JUNE 30TH, 1893.

ST. LOUIS SOUTHWESTERN RAILWAY CO—

	Lineal Feet.
Bird's Point Incline	1,020
Bird's Point Section	29,114
Jonesboro Section	35,894
Pine Bluff Section	52,483
Delta Branch	8,185
Little Rock Branch	4,022
Magnolia Branch	1,037
Shreveport Branch	5,221
Total	136,976

ST. LOUIS SOUTHWESTERN RAILWAY CO. OF TEXAS—

Texarkana Section	35,422
Tyler Section	24,458
Waco Section	4,303
Ft. Worth Branch	18,235
Sherman Branch	19,763
Hillsboro Branch	4,374
Total	106,555

TYLER SOUTHEASTERN RAILWAY CO—

Tyler to Lufkin	13,326

ENTIRE SYSTEM	256,857

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BRIDGES—STATEMENT OF PERMANENT SPANS, JUNE 30TH, 1893.

	No. of Spans.	Length, Each.	Total Length.		Class.*	Year Built.
ST. LOUIS SOUTHWESTERN R'Y CO.—		Feet.	Feet.			
St. Francis River	1	100	100	Plate Girder Draw	A	1892
White River	1	855	.....	Pin Connected Draw	A	1892
White River	2	125	605	Combination	C	1883
Arkansas River	1	65	.....	Plate Girder	A	1891
Arkansas River	1	428	.....	Pin Connected Draw	A	1891
Arkansas River	2	200	.....	Pin Connected Truss	A	1888
Arkansas River	3	200	.....	Pin Connected Truss	A	1888
Arkansas River	1	100	1,598	Pin Connected Truss	A	1891
Saline River	2	50	.....	Plate Girder	A	1890
Saline River	1	150	250	Pin Connected Truss	A	1890
Moro River	1	100	100	Combination	None.	1887
Ouachita River	1	290	290	Pin Connected Draw	A	1891
Red River	1	300	.....	Pin Connected Draw	C	1883
Red River	1	200	.....	Pin Connected Truss	A	1888
Red River	1	61	561	Plate Girder	B	1886
Blackwater River	1	100	100	Pin Connected Truss	A	1890
Whitewater River	1	140	140	Pin Connected Truss	A	1890
Castor River	1	125	125	Howe Truss	.....	1889
Total	23	.....	3,864			
ST. LOUIS SOUTHWESTERN R'Y CO. OF TEXAS.—						
Trinity River	1	200	200	Pin Connected Truss	A	1890
Tehuacana River	1	100	100	Combination	None.	1887
Brazos River	3	150	.....	Pin Connected Truss	B	1886
Brazos River	2	53	556	Plate Girder	B	1886
South Bosque River	1	150	150	Pin Connected Truss	B	1892
Harris Creek	1	70	70	Plate Girder	A	1890
Leon River, 1st Crossing	1	125	125	Pin Connected Truss	B	1886
Leon River, 2d Crossing	1	125	125	Pin Connected Truss	B	1886
Richland Creek	1	125	125	Pin Connected Truss	A	1890
Cedar Creek	1	125	125	Pin Connected Truss	B	1888
Choctaw Creek	1	125	125	Pin Connected Truss	B	1888
East Fork Trinity River	1	105	105	Howe Truss	C	1888
Rowlett's Creek	1	125	125	Howe Truss	C	1889
Spring Creek	1	105	105	Howe Truss	C	1888
Prairie Creek	1	80	80	Lattice Girder	A	1890
White Rock	1	101	101	Howe Truss	C	1889
Total	19	.....	2,217			
ENTIRE SYSTEM	42	.....	6,081			

*NOTE.—Class A, sufficient to carry two Consolidation engines coupled, followed by a rolling load of 3,000 pounds per lineal foot.
Class B, sufficient to carry two Consolidation engines coupled, followed by a rolling load of 2,240 pounds per lineal foot.
Class C, sufficient to carry two Mogul engines coupled, followed by a rolling load of 2,000 pounds per lineal foot.

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BRIDGES AND BUILDINGS—MAINTENANCE AND IMPROVEMENTS DURING YEAR ENDED JUNE 30TH, 1893.

ST. LOUIS SOUTHWESTERN R'Y CO.			Cost.
New Wooden Trestles	6,825	Lineal feet	$ 36,650 25
Culverts	2,693½	Lineal feet	11,147 49
Wire Fence	27	Miles and 3,119 ft. of fence.	6,849 50
Platforms (Wood)	27,605	Square feet	2,195 92
Platforms (Gravel)	68,439	Square feet	1,648 43
Cattle Guards	91		3,164 50
Stock Pens	4		351 00
Coal Bins	10		1,208 60
Track Scales	3		2,865 16
Mail Cranes	5		118 50
Station Building Out-houses	4		289 95
Yard Master and Car Inspector's Offices	2		1,586 90
Turn-Table (Iron)	1		1,304 75
Section and Eating House	1		1,857 41
Water Station	1		1,332 00
Round House	1		3,129 63
Station Building	1		769 35
M. P. Lumber Shed	1		460 57
Pump House	1		101 85
Sand House	1		74 45
		Total	$ 76,556 21

ST. LOUIS SOUTHWESTERN R'Y CO. OF TEXAS.			Cost.
New Wooden Trestles	13,074	Lineal feet	$ 51,908 76
Culverts	975	Lineal feet	2,896 68
Wire Fence	2	Miles and 3,536 ft. of fence.	410 85
Platforms (Wood)	15,480	Square feet	985 17
Platforms (Gravel)	26,980	Square feet	820 58
Cattle Guards	198		5,978 75
Stock Pens	6		1,494 64
Station Buildings	2		1,061 84
Station Building Out-houses	4		86 00
Water Tanks and Frames	2		1,600 83
Sand House	1		440 72
Stock Chutes	3		169 25
Coal Bin	1		16 98
Transfer Shed	1		2,251 20
Crossing Watch House	1		59 35
Car Repairers' Houses	2		173 75
Overhead Wagon Bridge	1		357 53
Water Station	1		1,428 11
Cinder Pit	1		185 50
Saw Dust Bins	2		72 15
Section and Eating House	1		1,366 43
Passenger Depot Extension	1		173 12
Dispatchers' Office Extension	1		221 85
Store Room	1		35 25
Tool House	1		65 19
Sidewalk	1,400	Square feet	88 50
		Total	$ 74,343 93

TYLER SOUTHEASTERN R'Y CO.			Cost.
Car Repairers' House	1		$ 68 42
Turn-Table	1		702 19
Cattle Guards	8		241 00
Platforms	3,408	Square feet	294 35
		Total	$ 1,305 96
ENTIRE SYSTEM, Total			$ 152,206 10

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TRESTLES.

The work of maintenance of trestles has been well kept up during the year. The constant increase in the weight of rolling stock, made it necessary to change the standard trestle to a heavier design. The excessive amount of trestle work on this line, makes the cost of maintenance and renewals expensive and it has been the policy whenever trestles could be filled up, without obstructing the waterways, to remove them and thereby diminish this fixed expense.

On the line of the St. Louis Southwestern Railway, in the Red River Bottom, 14 out of the 21 trestles have had the ends of the embankment thoroughly protected with rip-rap. The increased trestle openings shown to be required by the floods of 1892, on the Shreveport Branch, have been completed, and those on the Little Rock Branch nearly so. During the year just ended, new standard trestle has been built as follows: on the St. Louis Southwestern Railway, 6,825 lineal feet, on the St. Louis Southwestern Railway of Texas, 13,074 lineal feet.

TRUSS BRIDGES.

During the year the old draw span at White River was renewed and a modern steel structure of Class "A" was erected. The new span is 355 feet in length, built upon the original foundations. It was constructed and erected by the Phœnix Bridge Company. The two fixed spans, which are included in the crossing of the river, not having been replaced, are still carried on false work. These spans with the shore piers, should be rebuilt inside of two years. The

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north approach to this bridge was revised to a four-tenths grade, the embankment widened and track ballasted.

Surveys and plans for a new steel girder over Moro Creek, mile post 302, on the main line of the St. Louis Southwestern Railway, were completed and contract let for its erection during July, 1893. Surveys and plans for the erection of a new steel span over the Castor River, on the Delta Branch of the St. Louis Southwestern Railway, were also completed and contract let for its erection in July, 1893.

With the completion of the Castor River and Moro Creek spans, all streams will have been bridged for which there is any immediate pressing necessity on the line of the St. Louis Southwestern Railway.

The draw span over Red River, which was erected in 1883, will require some general repairs and strengthening before much heavier motive power can be run over it. With this exception, and the combination fixed spans over White River, which should be replaced and the piers strengthened whenever the Company is able to meet the expense, the truss bridges on the line of the St. Louis Southwestern Railway are first-class structures, capable of carrying safely modern motive power and rolling stock.

On the line of the St. Louis Southwestern Railway of Texas, the old combination span over Tehuacana Creek, will be replaced by a new steel plate girder, now being built by the Detroit Bridge Company, and will be erected during July or August, 1893.

The work of maintenance and renewals on the lines of the Texas Companies in the Bridges and Buildings Department has been steadily carried on. No work of an extraordinary

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nature has been undertaken during the past year. The winter, however, having been favorable as to weather, a large amount of necessary renewal work has been completed with a small force.

BIRD'S POINT INCLINE.

The maintenance of the incline at Bird's Point, Mo., the northern terminus of the line, requires constant attention and careful consideration. The location is exposed and the river subject to many and rapid changes of current and channel, making any system of permanent protection work or regulation practically impossible. No more reliable location for an incline can be found in that vicinity, closer than the lower side of the Bird's Point peninsula, about two miles from the Bird's Point depot, but about six or eight miles following around the line of the Point, the distance from Cairo being about the same.

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MOTIVE POWER AND CAR DEPARTMENT.

Statement of Equipment—Entire System.

	On Hand June 30, 1892.	Changes During Year.					On Hand June 30, 1893.
		Purchased, Built and Rebuilt.	Destroyed.	Sold.	Changed		
					From	To	
Locomotives—							
Narrow Gauge, Dismantled	5				5		
Narrow Gauge	11		1	4		2	8
Standard Gauge	128			1		3	130
Total	144		1	5			138
Passenger Cars—							
Official.....Standard Gauge	5		1				4
Chair.....Standard Gauge	7						7
Coaches.....Standard Gauge	40					4	44
Coaches.....Narrow Gauge	4						4
Combination.....Standard Gauge	8		2		4	2	4
Baggage and Express....Standard Gauge	11	2			2		11
Mail and Express.....Standard Gauge	16						16
Mail and Express.....Narrow Gauge	2						2
Total	93	2	3				92
Freight Cars—							
Refrigerator.....Standard Gauge	25						25
Furniture.....Standard Gauge	72		1				71
Caboose.....Standard Gauge	63	6	1				68
Caboose.....Narrow Gauge	2						2
Box.....Standard Gauge	1,892	501	17				2,376
Box.....Narrow Gauge	97		4				93
Stock.....Standard Gauge	348		10		3		335
Stock.....Narrow Gauge	21		13				8
Flat.....Standard Gauge	807	71	58				820
Flat.....Narrow Gauge	107					3	110
Coal.....Standard Gauge	561	38	66				533
Derricks	2						2
Steam Shovels	2						2
Total	3,999	616	170				4,445

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PERFORMANCE AND COST OF OPERATING LOCOMOTIVES—ENTIRE SYSTEM.

	Year Ended June 30, 1893.	Year Ended June 30, 1892.	Increase.	Decrease.
MILEAGE—				
Passenger	1,279,192	1,156,760	122,432	
Freight	2,180,373	1,839,486	340,887	
Switch	941,964	847,825	94,139	
Work	280,091	246,780		16,689
Other Service	92,125	78,716	13,409	
Total	4,723,745	4,169,517	554,228	
SUPPLIES USED—				
Tons of Coal	172,265	139,889	32,376	
Pints of Lubricating Oil	330,512	361,429		30,917
Pints of all Oil	453,078	471,628		18,550
Pounds of Waste	35,306	35,938		632
MILES RUN—				
Per Ton of Coal	27.42	29.80		2.38
Per Pint of Lubricating Oil	14.29	11.54	2.75	
Per Pint of all Oil	10.43	08.84	1.59	
Per Pound of Waste	133.80	116.00	17.80	
COST OF OPERATING—				
Repairs	$190,180 94	$200,016 82		$9,835 88
Stores	14,699 57	15,830 15		1,130 58
Fuel	370,418 73	304,965 67	$ 65,453 06	
Engineers and Firemen	308,260 31	261,979 81	41,280 50	
Wiping and Dispatching	60,363 26	54,979 78	5,383 48	
Other Motive Power Acc'ts	3,418 62	4,353 45		934 83
Total	$942,341 43	$842,125 68	$100,215 75	
AVERAGE COST PER MILE—				
Repairs	$0 0403	$0 0480		$0 0077
Stores	0 0031	0 0038		0 0007
Fuel	0 0784	0 0731	$0 0053	
Engineers and Firemen	0 0642	0 0628	0 0014	
Wiping and Dispatching	0 0128	0 0132		0 0004
Other Motive Power Acc'ts	0 0007	0 0010		0 0003
Total	$0 1995	$0 2019		$0 0024
Average Number of Engines in Service Monthly	119	113	6	
Average Monthly Mileage per Engine	3,308	3,119	189	

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REPAIRS AND MAINTENANCE OF EQUIPMENT—ENTIRE SYSTEM.

	Year Ended June 30, 1893.		Year Ended June 30, 1892.		Increase.		Decrease.	
	No.	Cost.	No.	Cost.	No.	Cost.	No.	Cost.
LOCOMOTIVES.								
Running Repairs..	1,218	$60,562 83	1,159	$54,381 81	59	$ 6,180 52	.....	.....
Light Repairs.....	201	28,687 78	184	25,167 36	17	3,520 42	.....	.....
Heavy Repairs.....	49	25,010 06	59	29,222 56	.....	.....	10	$ 4,212 50
General Repairs...	40	53,641 80	46	61,836 25	.....	.....	6	8,194 45
Rebuilding.....	12	22,278 47	17	29,408 84	.....	.....	5	7,130 37
Total	1,520	$190,180 44	1,465	$200,016 82	76	$ 9,700 94	21	$19,537 32
PASSENGER CARS.								
Running Repairs..	537	$ 7,854 76	655	$ 8,755 44	.....	.....	118	$ 900 68
Light Repairs.	138	13,630 78	229	17,888 06	.....	.....	91	4,257 28
Heavy Repairs.....	22	5,636 59	22	8,349 79	.....	.....	.....	2,713 20
General Repairs...	5	6,118 40	9	8,136 57	.....	.....	4	2,018 17
Rebuilding.....	18	33,710 58	4	4,922 89	14	$28,787 69	.....	.....
Total	720	$66,951 11	919	$48,052 75	14	$28,787 69	213	$ 9,889 33
FREIGHT CARS.								
Running Repairs..	42,051	$105,132 46	41,439	$69,708 81	612	$35,424 15	.....	.....
Light Repairs.....	1,524	25,246 68	1,798	33,617 30	.....	.....	274	$ 8,370 62
Heavy Repairs.....	767	29,621 49	906	42,009 27	.....	.....	139	12,387 78
General Repairs...	242	19,106 10	204	17,355 37	38	1,750 73	.....	.....
Rebuilding.....	97	13,652 13	120	23,080 39	.....	.....	23	9,428 26
Total	44,681	$192,758 86	44,467	$185,770 64	650	$37,174 88	436	$30,186 66
Entire Cost.....	.....	$449,890 41	.....	$433,840 21	.....	$16,050 20	.....	.....

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COMPARATIVE STATEMENT OF CAR EQUIPMENT PURCHASED AND BUILT—

ENTIRE SYSTEM.

CLASS.	Year Ended June 30, 1893.		Year Ended June 30, 1892.	
	No.	Cost.	No.	Cost.
PURCHASED—				
Box Cars (St. Louis Southwestern Car Trust—Series "A"—Agreement dated June 16, 1893)	500	$275,000 00	.....	.....
BUILT AT COMPANY SHOPS—				
Baggage, Mail and Express Cars	2	4,070 85	.....	.....
Caboose Cars	6	5,270 47	2	$ 1,312 27
Box Cars	1	305 73	.....	.....
Stock Cars	.....	.....	1	423 34
Flat Cars	71	20,341 38	82	20,830 47
Coal Cars	38	11,456 17	20	5,871 46
Total	618	$316,444 60	105	$ 28,437 54

The table on the following page showing the condition of Equipment by months throughout the year, will demonstrate that its condition has been well maintained. At the beginning of the fiscal year the number of locomotives requiring repairs was 46, estimated cost of repairs, $26,665.00; at the close of the year the number was 44, estimated cost of repairs, $28,031.00. Passenger cars—at beginning of fiscal year, number requiring repairs, 53, estimated cost of repairs, $17,130.00; at the close of the year number requiring repairs, 39, estimated cost, $14,435.00. Freight cars—at commencement of the fiscal year the number in bad order was 106 or .0264 per cent. of the total number owned; at the close of the year the number in bad order was 132 or .0297 per cent. of the total number owned.

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CONDITION OF EQUIPMENT BY MONTHS DURING THE YEAR—ENTIRE SYSTEM.

MONTHS ENDED.	LOCOMOTIVES.		PASSENGER CARS.	
	Number Requiring Repairs.	Estimated Cost of Repairs Required.	Number Requiring Repairs.	Estimated Cost of Repairs Required.
July 1, 1892	46	$26,665 00	58	$17,130 00
July 31, 1892	43	23,740 00	50	14,380 00
August 31, 1892	36	20,825 00	51	14,125 00
September 30, 1892	39	19,025 00	45	16,130 00
October 31, 1892	36	13,775 00	38	12,055 00
November 30, 1892	36	14,850 00	32	9,955 00
December 31, 1892	32	13,610 00	33	13,135 00
January 31, 1893	35	18,225 00	32	12,220 00
February 28, 1893	34	14,150 00	32	10,020 00
March 31, 1893	33	18,200 00	40	10,310 00
April 30, 1893	31	17,300 00	45	15,460 00
May 31, 1893	44	24,925 00	45	13,310 00
June 30, 1893	44	28,031 00	39	14,435 00

	FREIGHT CARS.				
	Number Owned.	BAD ORDER.		IN SERVICE.	
		Number.	Per Cent.	Number.	Per Cent.
July 1, 1892	4,008	106	.0264	3,902	.9736
July 31, 1892	3,998	94	.0235	3,904	.9765
August 31, 1892	3,993	52	.0131	3,941	.9869
September 30, 1892	3,994	89	.0223	3,905	.9777
October 31, 1892	3,996	46	.0115	3,950	.9885
November 30, 1892	3,990	76	.0190	3,914	.9810
December 31, 1892	3,981	84	.0211	3,897	.9789
January 31, 1893	3,970	78	.0196	3,892	.9804
February 28, 1893	3,955	85	.0215	3,870	.9785
March 31, 1893	3,946	105	.0266	3,841	.9734
April 30, 1893	3,951	68	.0172	3,883	.9828
May 31, 1893	3,945	83	.0210	3,862	.9790
June 30, 1893	4,442	132	.0297	4,310	.9703

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During the month of June, 1893, the citizens of Pine Bluff, Arkansas, donated the sum of $25,000 for the erection at that point of a building to be used for car shops that will fill a long felt want. Work towards the erection of this building has commenced, under the supervision of the Engineering Department, and will be pushed to early completion.

The policy of disposing of light engines as the opportunity is offered, with the view of their replacement with engines of a heavier class, is still being pursued. The substitution of heavier engines for those now in use should have careful consideration, as it is believed by the Management that the additional outlay incident to such exchange, would be saved in one year's operation of the heavier engines. Of the five narrow gauge dismantled locomotives, shown as on hand July 1st, 1892, the commencement of the fiscal year, two were rebuilt narrow gauge, and three were widened out and rebuilt standard gauge. There were sold during the year one standard gauge and four narrow gauge engines.

Attention is called to the law passed by the Fifty-second Congress, and approved by the President of the United States on the 2d day of March, 1893, entitled—

"An Act to promote the safety of employes and travelers upon railroads, by compelling common carriers engaged in interstate commerce to equip their cars with automatic couplers and continuous brakes, and their locomotives with driving-wheel brakes, and for other purposes."

The requirements of this Act are effective from and after January 1st, 1898, four and one-half years hence, and its terms will be carefully considered by the Management—having in view at all times when repairing, rebuilding and purchasing equipment and appliances therefor, the best and most economical plans and methods for a full compliance with the law.

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FUEL SUPPLY.

COAL—ENTIRE SYSTEM.

COMPARATIVE STATEMENT OF COAL PURCHASED AND CONSUMED, DURING YEARS ENDED JUNE 30, 1893-92.

COAL.	Year Ended June 30, 1893.	Year Ended June 30, 1892.	Increase.	Decrease.
No. of Tons purchased	180,170	150,364	29,806	
Cost per Ton delivered on line	$1 95	$1 91	$0 04	
Total cost of coal purchased	$351,273 69	$287,518 23	$63,755 46	
No. of Tons consumed	179,602	146,999	32,603	
Cost per Ton, including expense of handling	$2 08	$2 10		$0 02
Total Cost of coal consumed	$374,452 30	$308,878 53	$65,573 77	

While the average cost per ton of coal at delivering points on the line of these Companies during the year ended June 30th, 1893, is four cents per ton more than during the previous year, this increase is more than offset by the increase over the previous year in freight earnings accruing to the St. Louis Southwestern Railway Company, for the haul to Texarkana on coal transported from Illinois mines via Cairo, Ill., and Delta, Mo., for the use of the Texas Companies. Such increase in earnings on Company coal amounted to $30,911.34, and is equivalent to keeping almost that amount of money in the treasury of these Companies rather than

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paying it out to other lines for freight charges. Notwithstanding the slight increase in the average cost per ton of coal delivered on line, the average cost per ton of coal consumed (including the expense of handling), shows a decrease of two cents as compared with the previous year. This is accounted for by increased facilities at coaling points or fueling stations, which has reduced the cost of handling Company coal, from an average of 19 cents per ton during the year ended June 30th, 1892, to 13 cents per ton during the year ended June 30th, 1893, a saving of 6 cents per ton.

WOOD—ENTIRE SYSTEM.

During the year ended June 30th, 1893, the Company purchased 1,590 cords of wood at a total cost of $1,552.25, or an average of 98 cents per cord, while during the previous year 1,938 cords were purchased at a total cost of $3,580.37, or an average of $1.85 per cord.

The large decrease in the cost of wood is accounted for, by an arrangement entered into during the fiscal year just ended, for the purchase of slabs and rough material from saw mills at the rate of about 50 cents per cord, which has proven a satisfactory and economical substitute for regular cord wood heretofore used for "firing up" engines.

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ENGINEERING DEPARTMENT.

In addition to the important engineering work performed in connection with the improvements and maintenance in the Road, and Bridges and Buildings Departments during the year, heretofore mentioned in this report, the following may be mentioned:

ST. LOUIS SOUTHWESTERN RAILWAY COMPANY.

Bird's Point Section.—Plans for improvement of grade line and waterways, mile posts 3 to 6, completed.

Jonesboro Section.—Design for improvement of Jonesboro yard completed and approved, and good progress made on the work. Fair Oaks station, general yard and building improvements completed. Clarendon station, general revision of yard and alteration of depot location, completed. Wabbaseca Bottom, improvement to grade line.

Pine Bluff Section.—Alignment map from mile post 267 to mile post 418, partly completed. Design and estimates for new car shops at Pine Bluff, completed and approved.

Delta Branch.—Reconnoissance and survey from Delta to Cape Girardeau completed and report submitted.

ST. LOUIS SOUTHWESTERN RAILWAY COMPANY OF TEXAS.

The engineering work in Texas during the year has been principally confined to maintenance.

Texarkana Section.—General ballasting, revision of grade and staking out tracks.

Tyler Section.—General ballasting and revision of grades. Special survey at Waco.

Ft. Worth Branch.—General plan for new yard at Commerce, made and approved.

Hillsboro Branch.—Survey of Hillsboro completed.

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TYLER SOUTHEASTERN RAILWAY COMPANY.

Work confined to maintenance.

TYLER, TEXAS, PROPERTY.

Deeds have been secured for the additional property at Tyler, Texas, donated by the Citizens Committee for enlargement of shops and yards. The citizens having given 15.3 acres of land in addition to the original reservation granted the Texas and St. Louis Railway.

COMMERCE, TEXAS, YARD.

A proposition having been received from the citizens of Commerce, Tex., to donate sufficient land to admit of the construction of an improved yard at Commerce, a general plan was made, approved and placed on file. The citizens have secured some of the required property, but deeds are still in their possession.

RIGHT OF WAY.

During the fiscal year ended June 30th, 1892, right of way records were thoroughly checked and placed in order. No effort has been made to completely perfect our right of way titles, but such errors as have arisen from time to time have been amicably settled where possible.

ENGINEERING RECORDS.

Records of this department have been added to during the year, as much as opportunity and the force employed would permit; but while the general progress in perfecting these records has been satisfactory, there is much valuable information yet to be secured.

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HOSPITAL SERVICE.

During the fiscal year ended June 30th, 1893, the employes' hospital service has been maintained with the same satisfactory results as in previous years. The contributions from employes are sufficient in the aggregate amount to cover the expenses of the institution, making it self-sustaining.

On June 1st, 1893, a building was rented at Pine Bluff, Arkansas, to be used as an emergency hospital, and has been equipped with a complete dispensary, a doctor's office and operating room. This hospital will be used to take care of injured and sick when cases are too serious to be moved to the general hospital at Tyler, Texas.

The emergency stations at Cairo, Jonesboro, Waco and St. Louis remain the same as in previous years.

Repairs needed on the general hospital at Tyler are in progress and will soon be completed.

During the past year, 1,453 cases were admitted to the general hospital, to which should be added the 30 cases remaining in the hospital at the commencement of the year, making a total of 1,483 cases treated during the year, an increase of 259 cases over the previous year. There were also 3,675 employes furnished office treatment at the general hospital during the year, an increase of 1,104. The total number of employes receiving hospital benefits was 5,158, an increase of 1,387. These figures do not include those cases seen by local surgeons and at the emergency hospitals.

The number of deaths at the general hospital during the past fiscal year was 13, making a death rate of nine-tenths of one per cent., based on the number of patients admitted for treatment. Of the 13 deaths, 12 were due to various diseases, and one death resulted from personal injury.

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GENERAL REMARKS.

It is regretted that Mr. W. B. Doddridge, the able and efficient General Manager of this property, tendered his resignation on the 10th of May, 1893, having on that day been appointed General Manager of the Missouri Pacific System. The office of General Manager was abolished, and the duties pertaining to that office are now being performed by Mr. J. A. Edson, General Superintendent, an experienced and efficient officer.

The relations of the Management with the employes in the several departments, almost without exception, have been harmonious and pleasant.

For some time prior to the close of this fiscal year, the business of these companies began to be affected by the general depression throughout the country; but it was not until the close of the second week in July, 1893, that the gross earnings commenced showing a decrease, as compared with the corresponding week in July, 1892. This decrease has continued up to the present (first of September, 1893), and is mainly in lumber and timber products, which constitute a large percentage of our gross tonnage. For the week ending August 31st, 1893, this decrease, as compared with corresponding dates of last year is growing less, and it is confidently believed that by the tenth or fifteenth of this month (September, 1893) an increase will be shown, as compared with the same period in 1892.

The crops of corn and cotton in Arkansas are good, and much heavier than last year, 1892, while in southeastern Missouri and northwestern Louisiana they are equally as good, if not better than in 1892. In Texas, where a good crop was made in 1892, it is now estimated that an equally good crop of

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corn and cotton will be harvested, while the wheat and oats crops are considerably in excess of last season. In those portions of the several States traversed by these companies' lines, a very marked improvement is noticeable in the establishment of new industries, increase in population, and a largely increased acreage under cultivation, especially in Texas. It is therefore confidently expected that, as soon as financial confidence is restored (which now seems to be close at hand), the earnings of these companies will gradually and permanently increase.

The physical condition of the properties shows a continued and marked improvement.

The following recommendations of the former General Manager, Mr. W. B. Doddridge, are again called to your attention and recommended:

The Tyler Southeastern, at present a three foot gauge, should be changed to a standard, four foot eight and one-half inch, and extended in a southerly direction from Lufkin at least thirty miles, which extension would penetrate for that distance a fine body of long leaf yellow pine.

Your property in Texas should have direct rail connection with the city of Dallas, with proper terminal facilities at that point.

The Hillsboro Branch should be extended to a connection with the Texas Central, a distance of about twelve miles. This extension could be cheaply built, and it is believed would be a profitable investment, for the reason that it would enable these lines to reach the local territory covered by the Texas Central Road and thus secure a share of its traffic without greatly increasing the operating expenses.

In the Appendix of this report will be found the following named statements containing statistical data and other information of interest, to-wit:

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Summary of results of operation in detail for the years ended June 30th, 1893 and 1892; Gross Earnings by months for five years ended June 30th, 1893; Income [Profit and Loss] Account, and Condensed Balance Sheet, for each Company shown separately, for the fiscal year ended June 30th, 1893.

Very respectfully,

S. W. FORDYCE,

President.

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APPENDIX.

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I.

SUMMARY OF RESULTS OF OPERATION.

COMPARATIVE STATEMENT FOR YEARS ENDED JUNE 30, 1893-92.

SHOWING ALLOTMENT OF GROSS EARNINGS AND OPERATING EXPENSES AS BETWEEN FREIGHT AND PASSENGER—ENTIRE SYSTEM.

	Totals.		Allotted to Freight.		Allotted to Passenger.	
	1893.	1892.	1893.	1892.	1893.	1892.
GROSS EARNINGS—						
Freight	$3,988,319 72	$3,551,966 60	$3,988,319 72	$3,551,966 60		
Passenger	879,526 52	854,089 43			$ 879,526 52	$ 854,089 43
Mail	103,209 39	103,383 07			103,209 39	103,383 07
Express	72,000 00	71,394 11			72,000 00	71,394 11
Telegraph	6,155 12	6,223 97	3,077 56	3,111 98	3,077 56	3,111 99
Miscellaneous	66,869 50	49,454 66	33,434 75	24,727 31	33,434 75	24,727 35
TOTALS	$5,116,080 25	$4,636,461 84	$4,024,832 03	$3,579,805 89	$1,091,248 22	$1,056,655 95
OP'G EXPENSES*—						
Cond'g Transp'n.	$1,492,555 89	$1,292,893 34	$1,072,664 57	$ 928,268 52	$ 419,891 32	$ 364,624 82
Motive Power	1,042,332 92	918,387 76	757,918 76	660,490 40	284,414 16	257,897 36
Maint. of Cars	346,662 71	261,556 25	257,722 32	203,224 22	88,940 39	58,331 03
Maint. of Way	1,140,856 43	1,131,242 60	728,700 49	705,534 74	412,155 94	425,707 86
Gen'l Expenses	259,424 92	220,215 42	234,540 50	177,661 88	24,884 42	42,553 54
TOTALS	$4,281,832 87	$3,824,294 37	$3,051,546 64	$2,675,179 76	$1,230,286 23	$1,149,114 61

*Including Betterments, excluding Taxes.

COMPARATIVE STATISTICS FOR YEARS ENDED JUNE 30, 1893-92.

NOTE.—The averages herein of Earnings and Expenses per Ton, per Passenger, per Train Mile and per Mile of Road, are computed on the basis of the allotment between Freight and Passenger as shown in the preceding Table.

ITEM.	Year Ended June 30, 1893.	Year Ended June 30, 1892.	Increase.	Decrease.
Miles Operated	1,223	1,222.1	.9	
FREIGHT TRAFFIC—				
Number of Tons Carried	1,506,696	1,302,580	204,116	
Number of Tons Carried one mile	329,183,200	270,433,058	58,750,142	
Average Distance haul of one Ton (miles)	218.48	207.61	10.87	
Freight Train Mileage	2,180,373	1,839,486	340,887	
Average Earnings per Ton	$2.6713	$2.7482		$0.0769
Average Earnings per Ton per mile	$0.0122	$0.0132		$0.0010
Average Earnings per Freight Train mile	$1.8459	$1.9461		$0.1002
Average Freight Earnings per mile of Road	$3,290.95	$2,929.23	$361.72	

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SUMMARY OF RESULTS OF OPERATION—*Continued.*

ITEM.	Year Ended June 30, 1893.	Year Ended June 30, 1892.	Increase.	Decrease.
PASSENGER TRAFFIC—				
Number of Passengers carried	842,493	833,293	9,200	
Number of Passengers carried one mile	35,019,502	33,131,148	1,888,354	
Average distance one Passenger carried (miles)	41.57	39.76	1.81	
Passenger Train mileage	1,279,192	1,156,760	122,432	
Average Earnings per Passenger	$1.2952	$1.2680	$0.0272	
Average Earnings per Passenger per mile	$0.0312	$0.0319		$0.0007
Average Earnings per Passenger Train mile	$0.8688	$0.9135		$0.0447
Average Passenger Earnings per mile of road	$892.27	$864.62	$27.65	
TOTAL EARNINGS—				
Average Total Earnings per mile of road	$4,183.22	$3,793.85	$389.37	
Average Total Earnings per Freight and Passenger Train mile	$1.4788	$1.5474		$0.0686
OPERATING EXPENSES (Including Betterments, excluding Taxes)—				
Percentage of Freight Expenses to Freight Earnings	.7582	.7473	.0109	
Percentage of Passenger Expenses to Passenger Earnings	1.1274	1.0875	.0399	
Percentage of Operating Expenses to Gross Earnings	.8369	.8248	.0121	
Average Expense per Ton	$2.0253	$2.0538		$0.0285
Average Expense per Ton per mile	$0.0093	$0.0099		$0.0006
Average Expense per Passenger	$1.4603	$1.3790	$0.0813	
Average Expense per Passenger per mile	$0.0351	$0.0347	$0.0004	
Average Expense per Freight Train mile	$1.3996	$1.4543		$0.0547
Average Expense per Passenger Train mile	$0.9618	$0.9934		$0.0316
Average Expense per Freight and Passenger Train mile	$1.2377	$1.2764		$0.0387
Average Expense per mile of road	$3,501.09	$3,129.30	$371.79	
TOTAL NET EARNINGS—				
Total Net Earnings	$834,247.38	$812,167.47	$22,079.91	
Total Net Earnings per mile of road	$682.13	$664.55	$17.58	

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II.

GROSS EARNINGS BY MONTHS.

FOR FIVE YEARS ENDED JUNE 30, 1893.

ENTIRE SYSTEM.

Month.	Year Ended June 30, 1889. 1888-1889.	Year Ended June 30, 1890. 1889-1890.	Year Ended June 30, 1891. 1890-1891.	Year Ended June 30, 1892. 1891-1892.	Year Ended June 30, 1893. 1892-1893.
July	$ 227,185 56	$ 271,562 08	$ 307,440 81	$ 322,515 90	$ 354,601 61
August	281,109 03	336,852 61	365,788 36	349,459 69	400,501 81
September	296,288 22	388,583 27	386,638 83	447,131 11	422,729 36
October	383,716 55	526,305 37	490,967 31	577,267 39	499,771 72
November	335,867 73	470,882 71	423,059 08	505,755 47	483,181 59
December	364,939 84	502,859 68	466,675 64	480,582 10	532,079 71
January	274,639 75	375,619 94	350,257 77	351,874 29	435,902 80
February	256,538 27	305,244 13	347,040 49	371,799 21	421,309 29
March	248,017 76	270,911 48	336,418 82	331,973 06	444,082 75
April	225,467 82	259,872 69	287,949 84	302,678 41	411,625 08
May	241,164 77	290,927 39	285,374 21	303,392 48	368,900 01
June	242,902 73	262,292 02	276,044 84	292,042 73	341,394 52
Total	$ 3,377,888 03	$ 4,261,913 37	$ 4,323,655 50	$ 4,636,461 84	$ 5,116,080 25

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Income and Financial Exhibits.

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III.

ST. LOUIS SOUTHWESTERN R'Y CO. — **INCOME (PROFIT AND LOSS) ACCOUNT.** — **JUNE 30th, 1893.**

To Operating Expenses, year ended June 30th, 1893—			By Earnings, year ended June 30th, 1893—		
Conducting Transportation	$ 933,466 69		Freight	$2,621,974 94	
Motive Power	551,585 33		Passenger	459,842 86	
Maintenance of Cars	226,277 88		Mail	57,675 10	
Maintenance of Way	635,153 88		Express	44,949 60	
General Expenses	165,376 96	$2,511,860 74	Telegraph	3,047 73	
			Miscellaneous	47,239 49	$3,234,729 72
Net Earnings from Operation		722,868 98			
		$3,234,729 72			$3,234,729 72
To Accrued Interest on First Mortgage Bonds (4%)		$ 800,000 00	By Net Earnings, year ended June 30th, 1893, brought down		$ 722,868 98
To Taxes Accrued		61,926 85	By Interest on Bonds Owned—		
To Sundry Amounts		30,344 18	St. Louis Southwestern R'y Co. of Texas,		
To Surplus Income for year ended June 30th, 1893		270,789 76	First Mortgage.....$9,445,000.00 @ 4%	$ 377,800 00	
			Tyler Southeastern R'y Co.,		
			First Mortgage.....$660,000.00 @ 4%	26,400 00	
			Paragould & Buffalo Island R'y Co.,		
			First Mortgage.....$25,000.00 @ 7%	1,750 00	405,950 00
			By Sundry Amounts		34,241 81
		$1,163,060 79			$1,163,060 79
To Receivers St. L., A. & T. R'y in Arkansas and Missouri, for balance of the Receivers' Liabilities assumed and paid, less the amount of the Receivers' Current Assets received by this Company, to June 30th, 1893, such liabilities being payable from the revenues of the Company, and from surplus Reorganization funds which have been credited to Income Account as received		$ 80,843 16	By Surplus Income for year ended June 30th, 1893, brought down		$ 270,789 76
To Balance to credit of Income Account, June 30th, 1893		941,623 85	By Balance to credit of Income Account, July 1st, 1892		751,677 25
TOTAL		$1,022,467 01	TOTAL		$1,022,467 01

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IV.

ST. LOUIS SOUTHWESTERN R'Y COMPANY. **CONDENSED BALANCE SHEET.** **JUNE 30th, 1893.**

To Cost of Road and Equipment		$46,997,940 28	By Capital Stock—		
Construction Accounts		21,530 95	Preferred	$20,000,000 00	
Real Estate		27,327 95	Common	16,500,000 00	$36,500,000 00
Investments in Stocks and Bonds—			Bonds—		
Capital Stock St. L. S. W. R'y Co. of Texas	$2,495,500 00		First Mortgage (4 %)	$20,000,000 00	
Capital Stock Tyler Southeastern R'y Co.	245,500 00		Second Mortgage Income (4 %)	8,000,000 00	28,000,000 00
First Mortgage Bond St. L. S. W. R'y Co. of Texas	9,445,000 00		Equipment Trust Obligations		357,169 99
Second Mortgage Income Bond St. L. S. W. R'y Co. of Texas	4,722,500 00		Interest on Bonds—due and accrued		156,613 33
First Mortgage Bond Tyler Southeastern R'y Co	660,000 00		Sundry Accounts Payable		663,873 29
Second Mortgage Income Bond Tyler Southeastern R'y Co	330,000 00		*Balance to credit of Income (Profit and Loss) Account, June 30th, 1893, as per detailed exhibit on preceding page*		941,623 85
First Mortgage Bonds Paragould & Buffalo Island R'y	25,000 00				
First Mortgage Bonds Gulf & Ship Island R'y, par value $15,000, purchased for	1,500 00	17,925,000 00			
Advances to Sundry Agents—to be accounted for		37,164 62			
Supplies on hand		155,684 04			
Cash		50,401 67			
Sundry Accounts Collectible		120,158 83			
First Mortgage Bonds St. L. S. W. R'y Co. in Treasury (par value)		500,000 00			
St. Louis Southwestern R'y Co. of Texas, General Account		735,661 77			
Tyler Southeastern R'y Co., Gen'l Account		42,251 49			
Miscellaneous Accounts		6,158 86			
		$66,619,280 46			$66,619,280 46

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V.

ST. LOUIS SOUTHWESTERN R'Y CO. OF TEXAS. INCOME (PROFIT AND LOSS) ACCOUNT. JUNE 30th, 1893.

To Operating Expenses year ended June 30th, 1893—			By Earnings year ended June 30th, 1893—		
Conducting Transportation	$510,192 34		Freight	$1,281,267 03	
Motive Power	453,938 54		Passenger	383,819 66	
Maintenance of Cars	109,834 55		Mail	40,066 17	
Maintenance of Way	485,402 56		Express	23,644 80	
General Expenses	87,720 97	$1,647,088 96	Telegraph	2,717 84	
			Miscellaneous	19,052 99	$1,750,568 49
Net Earnings from Operation		**103,479 53**			
		$1,750,568 49			$1,750,568 49
To Accrued Interest on First Mortgage Bond (4%)		$ 377,800 00	By Net Earnings year ended June 30th, 1893, brought down		$ 103,479 53
To Taxes Accrued		43,140 26	By Sundry Amounts		31,222 38
To Sundry Amounts		8,434 52	*By Deficit for year ended June 30th, 1893*		**294,672 87**
		$ 429,374 78			$ 429,374 78
To Deficit for year ended June 30th, 1893, brought down	$294,672 87		*By Balance to debit of Income Account, June 30th, 1893*		**$674,358 19**
To Balance to debit of Income Account July 1st, 1892	133,719 83	$ 428,392 70			
To Receivers St. L., A. & T. R'y in Texas, for balance of the Receivers' Liabilities assumed and paid, less the amount of the Receivers' Current Assets received by this Company, to June 30th, 1893, such Liabilities being payable from the revenues of the Company, and from surplus Reorganization funds which have been credited to Income Account as received		245,965 49			
TOTAL		$ 674,358 19	TOTAL		$ 674,358 19

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VI.

ST. LOUIS SOUTHWESTERN R'Y CO. OF TEXAS. CONDENSED BALANCE SHEET. JUNE 30th, 1893.

To Cost of Road and Equipment		$17,094,478 09	By Capital Stock (Common)		$ 2,500,000 00
Supplies on hand		65,551 68	Bonds—		
Cash		39,600 47	First Mortgage (4%)	$ 9,445,000 00	
Sundry Accounts Collectible		37,810 22	Second Mortgage Income (4%)	4,722,500 00	14,167,500 00
Tyler Southeastern R'y Co., Gen'l Acc't		29,288 57	Equipment Trust Obligations		357,169 99
Miscellaneous Accounts		2,757 90	Sundry Accounts Payable		183,513 31
Balance to debit of Income (Profit and Loss) Account, June 30, 1893, as per detailed exhibit on preceding page		674,358 19	St. Louis Southwestern R'y Co., General Account		735,661 77
		$17,943,845 07			$17,943,845 07

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VII.

TYLER SOUTHEASTERN R'Y COMPANY. **INCOME (PROFIT AND LOSS) ACCOUNT.** **JUNE 30th, 1893.**

To Operating Expenses, year ended June 30th, 1893—			By Earnings, year ended June 30th, 1893—		
Conducting Transportation	$ 48,896 86		Freight	$ 85,077 75	
Motive Power	36,809 05		Passenger	35,864 00	
Maintenance of Cars	10,550 28		Mail	5,468 12	
Maintenance of Way	20,299 99		Express	3,405 60	
General Expenses	6,326 99	$ 122,883 17	Telegraph	389 55	
			Miscellaneous	577 02	$ 130,782 04
Net Earnings from Operation		7,898 87			
		$ 130,782 04			$ 130,782 04
To Accrued Interest on First Mortgage Bond (4%)		26,400 00	By Net Earnings, year ended June 30th, 1893, brought down		7,898 87
To Taxes Accrued		4,582 95	By Sundry Amounts		1,921 74
To Sundry Amounts		1,338 56	*By Deficit for year ended June 30th, 1893*		**22,500 90**
		$ 32,321 51			$ 32,321 51
To Deficit for year ended June 30th, 1893, brought down	$ 22,500 90		*By Balance to debit of Income Account, June 30th, 1893*		**$ 71,446 19**
To Balance to debit of Income Account, July 1st, 1892	45,766 92	$ 68,267 82			
To Receivers St. L., A. & T. R'y in Texas, for balance of the Receivers' Liabilities assumed and paid, less the amount of the Receivers' Current Assets received by this Company, to June 30th, 1893, such liabilities being payable from the revenues of the Company, and from surplus Reorganization funds which have been credited to Income Account as received		3,178 37			
TOTAL		$ 71,446 19	TOTAL		$ 71,446 19

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VIII.

TYLER SOUTHEASTERN RAILWAY COMPANY. **CONDENSED BALANCE SHEET.** **JUNE 30th, 1893.**

To Cost of Road and Equipment		$1,243,574 77	By Capital Stock (Common)		$250,000 00
Miscellaneous Accounts		119 10	Bonds—		
Balance to debit of Income (Profit and Loss) Account, June 30th, 1893, as per detailed exhibit on preceding page		71,446 19	First Mortgage (4%)	$660,000 00	
			Second Mortgage Income (4%)	330,000 00	990,000 00
			St. Louis Southwestern R'y Co., General Account		42,251 49
			St. Louis Southwestern R'y Co. of Texas, General Account		29,288 57
			Donated Town Lot Sales		3,600 00
		$1,315,140 06			$1,315,140 06

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1894.

THIRD ANNUAL REPORT.

"COTTON BELT ROUTE"

ST. LOUIS SOUTHWESTERN RAILWAY COMPANY.

INCLUDING THE

ST. LOUIS SOUTHWESTERN RAILWAY CO. OF TEXAS

AND

TYLER SOUTHEASTERN RAILWAY CO.

FISCAL YEAR ENDED

JUNE 30, 1894.

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"COTTON BELT ROUTE"

ST. LOUIS SOUTHWESTERN RAILWAY COMPANY,

INCLUDING THE

ST. LOUIS SOUTHWESTERN RAILWAY CO. OF TEXAS

AND

TYLER SOUTHEASTERN RAILWAY CO.

THIRD ANNUAL REPORT

TO THE

DIRECTORS AND STOCKHOLDERS,

FOR THE FISCAL YEAR ENDED

JUNE 30, 1894.

ST. LOUIS:
WOODWARD & TIERNAN PRINTING COMPANY, 309-319 NORTH THIRD STREET.
1894

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DIRECTORS.

ST. LOUIS SOUTHWESTERN RAILWAY COMPANY.

ELECTED OCTOBER, 1893.

S. W. FORDYCE	*St. Louis, Mo.*
EDWIN GOULD	*Tarrytown, N. Y.*
W. B. DODDRIDGE	*St. Louis, Mo.*
M. GERNSHEIM	*New York, N. Y.*
R. M. GALLOWAY	*New York, N. Y.*
THOS. T. ECKERT	*New York, N. Y.*
ROBERT MOORE	*St. Louis, Mo.*
A. L. WOLFF	*St. Louis, Mo.*
WINSLOW S. PIERCE	*New York, N. Y.*

Annual Meeting of Stockholders for election of Directors is held in the city of St. Louis, Mo., on the first Tuesday in October.

ST. LOUIS SOUTHWESTERN RAILWAY COMPANY OF TEXAS.

ELECTED MAY, 1894.

S. W. FORDYCE	*St. Louis, Mo.*
W. W. SELEY	*Waco, Tex.*
TOM RANDOLPH	*Sherman, Tex.*
J. A. EDSON	*Tyler, Tex.*
EDWIN GOULD	*Tarrytown, N. Y.*
WINSLOW S. PIERCE	*New York, N. Y.*
W. B. DODDRIDGE	*St. Louis, Mo.*
JAMES GARITTY	*Corsicana, Tex.*
W. C. CONNOR	*Dallas, Tex.*

Annual Meeting of Stockholders for election of Directors is held in the city of Tyler, Texas, on the Monday preceding the first Wednesday in May.

TYLER SOUTHEASTERN RAILWAY COMPANY.

ELECTED MAY, 1894.

H. H. ROWLAND	*Tyler, Tex.*
HOWARD GOULD	*Tarrytown, N. Y.*
GUY PHILLIPS	*New York, N. Y.*
W. S. MALLETT	*New York, N. Y.*
T. F. MURCHISON	*Athens, Tex.*
J. P. DOUGLAS	*Tyler, Tex.*
J. A. EDSON	*Tyler, Tex.*

Annual Meeting of Stockholders for election of Directors is held in the city of Tyler, Texas, on the Monday preceding the first Wednesday in May.

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GENERAL OFFICERS.

ST. LOUIS SOUTHWESTERN RAILWAY COMPANY.

S. W. FORDYCE, President . . . . . *St. Louis, Mo.*
EDWIN GOULD, Vice-President . . . . . *Tarrytown, N. Y.*
WINSLOW S. PIERCE, General Counsel . . . . *New York, N. Y.*
J. A. EDSON, General Superintendent . . . . . *Tyler, Tex.*
S. C. JOHNSON, General Auditor . . . . . *St. Louis, Mo.*
J. C. OTTESON, Secretary . . . . . *New York, N. Y.*
G. K. WARNER, Ass't Secretary and Treasurer . . *St. Louis, Mo.*
A. S. DODGE, General Traffic Manager . . . . . *St. Louis, Mo.*
R. S. DAVIS, Assistant General Freight Agent . . . *St. Louis, Mo.*
E. W. LABEAUME, General Pass'r and Ticket Agt. . *St. Louis, Mo.*
H. G. KELLEY, Resident Engineer . . . . . *Texarkana, Tex.*
R. M. GALBRAITH, General Master Mechanic . . *Pine Bluff, Ark.*

ST. LOUIS SOUTHWESTERN RAILWAY COMPANY OF TEXAS.

S. W. FORDYCE, President . . . . . *St. Louis, Mo.*
EDWIN GOULD, First Vice-President . . . . . *Tarrytown, N. Y.*
J. A. EDSON, Second Vice-President and Gen'l Sup't . *Tyler, Tex.*
R. D. COBB, Secretary and Auditor . . . . . *Tyler, Tex.*
J. C. OTTESON, Assistant Secretary . . . . . *New York, N. Y.*
J. W. HOGAN, Treasurer . . . . . *Tyler, Tex.*
G. W. BARNHART, General Freight Agent . . . . *Tyler, Tex.*
S. G. WARNER, General Passenger Agent . . . . *Tyler, Tex.*
H. G. KELLEY, Resident Engineer . . . . . *Texarkana, Tex.*
THOS. INGLIS, Master Mechanic . . . . . *Tyler, Tex.*

TYLER SOUTHEASTERN RAILWAY COMPANY.

H. H. ROWLAND, President and Treasurer. . . . . *Tyler, Tex.*
HOWARD GOULD, Vice-President . . . . . *Tarrytown, N. Y.*
J. A. EDSON, General Superintendent . . . . . *Tyler, Tex.*
R. D. COBB, Auditor . . . . . *Tyler, Tex.*
J. P. DOUGLAS, Secretary . . . . . *Tyler, Tex.*
GUY PHILLIPS, Assistant Secretary . . . . . *New York, N. Y.*
J. W. HOGAN, Assistant Treasurer . . . . . *Tyler, Tex.*
G. W. BARNHART, General Freight Agent . . . . *Tyler, Tex.*
S. G. WARNER, General Passenger Agent . . . . . *Tyler, Tex.*
H. G. KELLEY, Resident Engineer . . . . . *Texarkana, Tex.*
THOS. INGLIS, Master Mechanic . . . . . *Tyler, Tex.*

TRANSFER OFFICE: No. 195 Broadway, New York, N. Y.

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"COTTON BELT ROUTE"

ST. LOUIS SOUTHWESTERN RAILWAY COMPANY.

OFFICE OF THE PRESIDENT.

ST. LOUIS, MO., September 1st, 1894.

To the Board of Directors and Stockholders of the St. Louis Southwestern Railway Company:

The Third Annual Report of this Company, showing the financial and physical condition of the property owned and controlled, for the fiscal year ended June 30th, 1894, is respectfully submitted.

MILEAGE OWNED AND CONTROLLED—ENTIRE SYSTEM.

The mileage of the Company, on which all computations pertaining to earnings, expenses and traffic statistics are based, is as follows:

	Main Track.	Side Track.	Total.
ST. LOUIS SOUTHWESTERN RAILWAY COMPANY—			
Main Line	418.0	100.6	518.6
New Madrid Branch	5.7	.2	5.9
Delta Branch	51.4	8.0	59.4
Little Rock Branch	41.7	4.1	45.8
Magnolia Branch	6.4	.6	7.0
Shreveport Branch	59.5	7.0	66.5
Total	582.7	120.5	703.2
ST. LOUIS SOUTHWESTERN RAILWAY COMPANY OF TEXAS—			
Main Line	304.6	46.0	350.6
Sherman Branch	109.9	12.4	122.3
Ft. Worth Branch	97.2	13.8	111.0
Hillsboro Branch	40.0	4.0	44.0
Total	551.7	76.2	627.9
TYLER SOUTHEASTERN RAILWAY COMPANY—			
Main Line	88.6	8.1	96.7
ENTIRE SYSTEM—Total Mileage	1,223.0	204.8	1,427.8

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FINANCIAL EXHIBITS.

Comparative Financial Results from Operation—Entire System.

The following statement shows gross earnings, receipts from all other sources, operating expenses, fixed and all other charges against income, for fiscal year ended June 30th, 1894, compared with the previous fiscal year:

Entire System.	Year ended June 30, 1894.	Year ended June 30, 1893.	Increase.	Decrease.
Gross Earnings	$4,615,144 20	$5,116,080 25	—	$500,936 05
Operating Expenses (including Betterments)	3,873,778 14	4,281,832 87	—	408,054 73
Net Earnings	$ 741,366 06	$ 834,247 38	—	$ 92,881 32
All Other Receipts	31,030 61	69,135 93	—	38,105 32
Total Income over Operating Expenses	$ 772,396 67	$ 903,383 31	—	$130,986 64
Fixed and Other Payments charged against Income:				
Accrued Interest on First Mortgage Bonds (4 per cent.)	$ 800,000 00	$ 800,000 00	—	—
Taxes Accrued	113,825 45	109,650 06	$ 4,175 39	—
Interest and Exchange	23,852 69	15,232 55	8,620 14	—
All Other Payments	32,486 99	24,884 71	7,602 28	—
Total Charges against Income	$ 970,165 13	$ 949,767 32	$ 20,397 81	—
Deficit carried to debit of Income (Profit and Loss) Account	$ 197,768 46	$ 46,384 01	$151,384 45	—

Comparing the results for the fiscal year ended June 30th, 1894, with the preceding fiscal year, there has been a decrease in gross earnings of $500,936.05 or 9.79 per cent., due to the extraordinary depression of business which was general throughout the country, commencing during the closing months of the previous fiscal year and continuing during the whole of the fiscal year ended June 30th, 1894.

It deserves to be noted that the gross earnings for the fiscal year ended June 30th, 1894, are compared in the foregoing table with the gross earnings of the most prosperous business year in the history of the road. When compared with the gross earnings of the year ended June 30th, 1892, the decrease is only $21,317.64 or less than half of one per cent.

It is scarcely necessary to dilate upon the trying character of the fiscal year just closed, and the tremendous losses in earnings which have been sustained by all Railroad Companies, but it is pertinent to state here, from reliable information at hand, that the ratio of decrease in gross earnings for the fiscal year ended

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June 30th, 1894, compared with the preceding year, is much smaller on this System than the general average for all roads throughout the country.

A decrease in operating expenses of $408,054.73 or 9.53 per cent. was effected, leaving a decrease in net earnings of only $92,881.32 or 11.13 per cent.; quite a favorable showing, when it is taken into consideration that the item of operating expenses for the year ended June 30th, 1894, includes $18,000.00 expended for personal injury claims growing out of the Crooked Bayou and Altheimer wrecks which occurred during the months of May and June, 1892, respectively; and, also over $113,000.00 for Betterments, a detailed statement of which may be found under the heading "Exhibit A" on page 13.

There has been a decrease in all other receipts of $38,105.32 or 55.10 per cent.

An increase of $4,175.39 or 3.81 per cent. is shown in taxes accrued, an increase in interest and exchange amounting to $8,620.14 or 56.59 per cent., and an increase in all other payments of $7,602.28 or 30.55 per cent.

While the net result for the year is by no means satisfactory, yet it is gratifying, in the face of the unprecedented stagnation prevailing in all branches of trade along the line of this Company's property and throughout the country generally, to have effected a saving in operating expenses sufficient to offset over 80 per cent. of the loss in gross earnings.

It is worthy of note that this economy in operation has been accomplished without in any way impairing the physical condition of the property, which has been fully maintained. The result is also a practical demonstration of the benefits accruing from the policy of gradually improving the physical condition of the property by the comparatively small expenditures for Betterments from year to year.

It is the purpose of the summaries immediately following to present, first, the Income, or Profit and Loss, Account; second, the Condensed Balance Sheet; and third, detailed exhibits of the various accounts composing the Income Account and the Condensed Balance Sheet; thus furnishing a complete analysis of the changes that have occurred in the various accounts since the close of the preceding fiscal year, and showing also, the financial condition of the Company's property at the close of the fiscal year ended June 30th, 1894.

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INCOME (PROFIT AND LOSS) ACCOUNT—ENTIRE SYSTEM.

YEAR ENDED JUNE 30TH, 1894.

To EXPENSES (See Exhibit A)—			By EARNINGS (See Exhibit A)—		
Conducting Transportation	$1,320,526 21		Freight	$3,498,158 58	
Motive Power	940,702 41		Passenger	883,408 68	
Maintenance of Cars	331,602 29		Mail	103,393 10	
Maintenance of Way	1,035,035 00		Express	72,000 00	
General Expenses	245,912 23	$3,873,778 14	Telegraph	5,343 42	
Net Earnings	—	**741,366 06**	Miscellaneous	52,840 42	$4,615,144 20
		$4,615,144 20			$4,615,144 20
To Accrued Interest on Bonds (See Exhibit B)	—	$800,000 00	By Net Earnings brought down	—	$ 741,366 06
Taxes Accrued " " C	—	113,825 45	Interest on Bonds Owned (See Exhibit F)	—	750 00
Interest and Exchange " " D	—	23,852 69	All Other Receipts (See Exhibit G)	—	30,280 61
All Other Payments " " E	—	32,486 99	Total Credits	—	$ 772,396 67
			Deficit for year ended June 30th, 1894	—	**197,768 46**
Total Debits	—	$970,165 13			$ 970,165 13
To Deficit for year ended June 30th, 1894, brought down	—	$197,768 46	By Balance to Credit of Income Account at the beginning of current Fiscal Year, July 1st, 1893,	—	$ 195,819 47
			Balance to Debit of Income Account, June 30th, 1894,	—	**1,948 99**
		$197,768 46			$ 197,768 46

NOTE.—See Appendix for Income Account of each Company separately.

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CONDENSED BALANCE SHEET—ENTIRE SYSTEM.

JUNE 30TH, 1894.

ASSETS.			LIABILITIES.		
To Balance to Debit of Income (Profit and Loss) Account, as per detailed exhibit on preceding page	—	$ 1,948 99	By Capital Stock (See Exhibit N)—		
			Preferred	$20,000,000 00	
Cost of Road and Equipment (See Exhibit H)	—	65,335,875 50	Common	16,500,000 00	$36,500,000 00
Construction Accounts " " I	—	21,530 95	Bonds (See Exhibit O)—		
Real Estate " " J	—	27,327 95	First Mortgage (4 per cent)	$20,000,000 00	
Investments in Stocks and Bonds " " K	—	526,500 00	Second Mortgage Income (4 per cent)	8,000,000 00	28,000,000 00
Advances to Sundry Agents (to be accounted for) " " L	—	18,741 91	Equipment Trust Obligations (See Exhibit P)	—	609,638 68
Current Assets, viz. (See Exhibit M)—			Current Liabilities, viz. (See Exhibit M)—		
			Sundry Accounts Payable	$1,111,021 00	
Cash	$122,321 83		Interest on Bonds—Due and Accrued	179,413 33	1,290,434 33
Sundry Accounts Collectible	151,520 18				
Supplies on hand	221,855 66	495,697 67	Miscellaneous Accounts (See Exhibit Q)—	—	27,549 96
		$66,427,622 97			$66,427,622 97

NOTE.—See Appendix for Condensed Balance Sheet of each Company separately.

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EXHIBIT A.

COMPARATIVE STATEMENT OF EARNINGS, EXPENSES, NET EARNINGS AND TAXES.

ENTIRE SYSTEM.	Year ended June 30, 1894.	Year ended June 30, 1893.	Increase.	Decrease.
EARNINGS—				
Freight	$3,498,158 58	$3,988,319 72	—	$490,161 14
Passenger—Local	558,858 62	584,950 85	—	26,092 23
Passenger—Foreign	324,550 06	294,575 67	$ 29,974 39	—
Mail	103,393 10	103,209 39	183 71	—
Express	72,000 00	72,000 00	—	—
Telegraph	5,343 42	6,155 12	—	811 70
Miscellaneous	52,840 42	66,869 50	—	14,029 08
Total	$4,615,144 20	$5,116,080 25	—	$500,936 05
Earnings per Mile of Road	$ 3,773 63	$ 4,183 22	—	$ 409 59
EXPENSES (Including Betterments)				
Conducting Transportation	$1,320,526 21	$1,492,555 89	—	$172,029 68
Motive Power	940,702 41	1,042,332 92	—	101,630 51
Maintenance of Way	331,602 29	346,662 71	—	15,060 42
Maintenance of Cars	1,035,035 00	1,140,856 43	—	105,821 43
General Expenses	245,912 23	259,424 92	—	13,512 69
Total	$3,873,778 14	$4,281,832 87	—	$408,054 73
Expenses per Mile of Road	$ 3,167 44	$ 3,501 09	—	$ 333 65
Per cent. of Expenses to Earnings	83.94	83.69	.25	—
NET EARNINGS	$ 741,366 06	$ 834,247 38	—	$ 92,881 32
Per Mile of Road	$ 606 19	$ 682 13	—	$ 75 94
Per cent. of Total Earnings	16.06	16.31	—	.25
EXPENSES AND TAXES—				
Expenses	$3,873,778 14	$4,281,832 87	—	$408,054 73
Taxes Accrued	113,825 45	109,650 06	$ 4,175 39	—
Total	$3,987,603 59	$4,391,482 93	—	$403,879 34
Per Mile of Road	$ 3,260 51	$ 3,590 75	—	$ 330 24
Per cent. of Total Earnings	86.40	85.84	—	.56
Surplus after paying Taxes	$ 627,540 61	$ 724,597 32	—	$ 97,056 71
Per Mile of Road	$ 513 12	$ 592 48	—	$ 79 36

The percentages of increase and decrease in earnings, expenses and taxes, according to the general classified headings as shown in the foregoing table, are as follows:

Freight earnings, decrease 12.29 per cent.; passenger earnings, local, decrease 4.46 per cent.; passenger earnings, foreign, increase 10.18 per cent.; mail earnings, increase 0.18 per cent.; telegraph earnings, decrease 13.19 per cent.; miscellaneous

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earnings, decrease 20.98 per cent.; total earnings, decrease 9.79 per cent.

Conducting transportation, decrease 11.53 per cent.; motive power, decrease 9.75 per cent.; maintenance of way, decrease 4.34 per cent.; maintenance of cars, decrease 9.28 per cent.; general expenses, decrease 5.21 per cent.; total expenses, decrease 9.53 per cent.

Net earnings, decrease 11.13 per cent.; expenses and taxes, decrease 9.20 per cent.; surplus after paying taxes, decrease 13.39 per cent.

BETTERMENTS,

INCLUDED IN THE FOREGOING STATEMENT OF OPERATING EXPENSES.

ENTIRE SYSTEM.	Year ended June 30, 1894.	Year ended June 30, 1893.	Increase.	Decrease.
Conducting Transportation . .	$ 3,087 61	$ 8,579 94	—	$ 5,492 33
Motive Power	2,623 47	21,588 49	—	18,965 02
Maintenance of Cars	15,316 30	7,605 54	$ 7,710 76	—
Maintenance of Way	92,520 43	144,891 09	—	52,370 66
Total	$113,547 81	$182,665 06	—	$69,117 25

The several items composing the expenditure for Betterments during the year ended June 30th, 1894, are as follows:

CONDUCTING TRANSPORTATION—

New Station Houses—			
Station Building, Murphy, Tex. .	$ 535 62		
Station Outhouse, Corsicana, Tex. .	56 00		
One-half interest in Transfer Shed, Plano, Texas	99 02	$ 690 64	
New Track Scales—			
At Commerce, Texas		819 65	
Additional Stock Pens—			
At Bernie, Mo.	$ 131 80		
At Benton, La.	359 97		
At V. S. & P. Junction, La. . . .	363 45		
At Sulphur Springs, Texas . . .	331 59		
At Greenville, Texas	390 51	1,577 32	$ 3,087 61
Amount carried forward			$ 3,087 61

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Amount brought forward			$ 3,087 61
MOTIVE POWER—			
Engine Houses, Turn-tables, Etc.—			
New Blacksmith Shop, Pine Bluff, Ark.	$ 136 62		
New Sewer at Pine Bluff, Ark. . .	259 11		
New Sand House and Bin at Waco, Tex.	134 96	$ 530 69	
Fuel Stations—			
Two Pneumatic Coal Hoists and 24 Coal Buckets		535 00	
Cost of Applying Air-Brakes—			
To Locomotives		1,552 00	
Water Stations—			
Water Service at Shops, Pine Bluff, Ark.		5 78	2,623 47
MAINTENANCE OF CARS—			
Cost of making changes in Passenger Coaches		$ 1,815 00	
Car Shops and Sheds—			
New Car Shops, Pine Bluff, Ark. .	$6,713 03		
New Sewer, Pine Bluff, Ark. . . .	293 32	7,006 35	
Tools and Machinery—			
New Machinery for Car Shops, Pine Bluff, Ark.		6,494 95	15,316 30
MAINTENANCE OF WAY—			
Ballasting to raise Track above Overflow—			
Bird's Point Section	$ 444 16		
Wabbaseca Bottom	1,305 72	$1,749 88	
New Bridges—			
Iron Bridge, Castor River	$8,595 71		
Iron Bridge, Moro Creek	4,893 04		
Iron Bridge, White River	350 00		
Iron Bridge, Tehuacana Creek . .	4,926 77	18,765 52	
New Trestles—			
Wabbaseca Bottom	$ 468 78		
Little Rock Section	3,777 11		
Raising Trestle, Elm Fork . . .	499 97		
Excavating under Trestles in Red River Bottom to give more Waterway	828 49	5,574 35	
Cattle Guards and Road Crossings—			
New Wagon Bridge, account digging Milner Ditch		108 50	
New Fence		6,618 80	
Improvements to Jonesboro Yard—			
Ballasting Track	$ 75 47		
Additional Frogs	17 65		
Reducing Grades and widening Embankments	2,572 93		
Additional Switch Fixtures . . .	1,092 90	3,758 95	
Amounts carried forward		$36,576 00	$21,027 38

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Amounts brought forward		$36,576 00	$21,027 38
Improvements to Pine Bluff Shops and Yard—			
Additional Yard Track—			
Ballasting Track . .	$3,033 76		
Ties	1,258 39		
Frogs	20 00		
Steel Rails	991 22		
Spikes	121 02		
Splices, etc.	119 68		
Switch Fixtures . . .	10 66		
Labor putting in . .	1,892 28	$7,447 01	
Improving New B. & B. Yard . .		701 98	
New Timber Ways and Iron Platform		175 63	
New Bumping Posts at ends of Tracks		145 38	
New B. & B. Shop and tools for same		2,734 38	
Engineering Expenses, Surveying .		35 00	11,239 38
New Saw Mill Spurs, Private and Side Tracks—			
Ties		$2,268 96	
Frogs		512 00	
Steel Rails		7,759 43	
Spikes		599 43	
Splices, etc.		470 67	
Switch Fixtures		504 67	
Labor Putting in		3,501 20	15,616 36
Raising and Widening approaches to Bridges and Trestles			4,584 87
New Standard Tile Culverts			6,389 29
Widening Narrow Gauge banks to standard width, and Ditching			16,871 23
Changing Creek Channel at Milner			606 19
Engineering Expenses—			
Cost of Special Surveys			637 11 92,520 43
Total			$113,547 81

EXHIBIT B.

ACCRUED INTEREST ON BONDS—ENTIRE SYSTEM.

The semi-annual interest on First Mortgage four per cent. bonds was paid as it became due, as follows:

Coupon No. 6, due November 1st, 1893	$400,000 00
Coupon No. 7, due May 1st, 1894	400,000 00
Total	$800,000 00

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EXHIBIT O.

TAXES ACCRUED—ENTIRE SYSTEM.

This account is charged with the monthly pro rata of taxes assessed for the year, and, whenever practicable, State and County warrants that can be purchased at a discount are bought and used in paying taxes. The difference between the face value and cost of warrants to the Company is credited to "Taxes Accrued."

Taxes accrued year ended June 30th, 1894	$113,825 45
Taxes accrued year ended June 30th, 1893	109,650 06
Increase	$ 4,175 39

TAXES PAID—ENTIRE SYSTEM.

The following comparative statement shows the amount of taxes for the calendar year assessed by and paid to each State in which the line is located:

STATE.	Year 1893.	Year 1892.	Increase.
Missouri	$ 11,323 61	$ 9,282 64	$2,040 97
Arkansas	49,013 44	48,119 19	894 25
Louisiana	5,343 75	5,106 36	237 39
Texas	49,409 07	47,589 27	1,819 80
Total taxes paid, ...	$115,089 87	$110,097 46	$4,992 41

EXHIBIT D.

INTEREST AND EXCHANGE—ENTIRE SYSTEM.

This account covers the net amount of expenditures for interest on Floating Debt.

Total for year ended June 30th, 1894	$23,852 69
Total for year ended June 30th, 1893	15,232 55
Increase	$ 8,620 14

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EXHIBIT E.

ALL OTHER PAYMENTS—ENTIRE SYSTEM.

DESCRIPTION.	Year ended June 30, 1894.	Year ended June 30, 1893.	Increase.	Decrease
Miscellaneous Expenses—New York Office—Account Reorganization, Etc. . .	$ 1,479 80	$13,750 00	—	$12,270 20
Net Loss over and above Insurance, Account of Fire at Bird's Point, Mo., October 23, 1891	—	9,141 85	—	9,141 85
Equipment Trust Expenses, St. Louis Southwestern Car Trust—Series A . .	17,912 00	1,164 86	$16,747 14	—
Adjustment of Sundry Accounts	9,724 98	828 00	8,896 98	—
Receivers' Liabilities Paid	3,370 21	—	3,370 21	—
Total	$32,486 99	$24,884 71	$ 7,602 28	—

EXHIBIT F.

INTEREST ON BONDS OWNED—ENTIRE SYSTEM.

Received during year ended June 30th, 1893, 12 months' interest at 7 per cent. on $25,000 Paragould & Buffalo Island R. R. First Mortgage Bonds	$1,750 00
Received during year ended June 30th, 1894, 6 months' interest at 6 per cent. on $25,000 Paragould Southeastern Railway First Mortgage Bonds	750 00
Decrease	$1,000 00

In the exchange of First Mortgage Bonds of the P. & B. I. R. R. for First Mortgage Bonds of the P. S. E. R'y, six months' interest was abated.

EXHIBIT G.

ALL OTHER RECEIPTS—ENTIRE SYSTEM.

DESCRIPTION	Year ended June 30, 1894.	Year ended June 30. 1893.	Increase.	Decrease.
Balance of delayed Expenses and Earnings of the Receivers of the St. Louis, Arkansas & Texas Railway Companies which were included, for the sake of comparison, in the Exhibits of Expenses and Earnings of the St. Louis Southwestern Railway Companies and charged to the general account with the Receivers when credited to Income Account . . .	—	$ 20,990 33	—	$ 20,990 33
Interest on First Mortgage Certificates of the St. Louis Southwestern Ry. Co., in Treasury	$ 20,000 00	20,000 00	—	—
Adjustment of Sundry Accounts, etc.	4,736 21	3,491 90	$ 1,244 31	—
Surplus Reorganization Funds . .	5,544 40	22,903 70	—	17,359 30
Total	$ 30,280 61	$ 67,385 93	—	$ 37,105 32

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EXHIBIT H.

COST OF ROAD AND EQUIPMENT—ENTIRE SYSTEM.

YEAR ENDED JUNE 30TH, 1894.

Total cost to July 1st, 1893			$65,335,993 14
Less—			
Account of adjustment in original entry of Capital Stock			9,000 00
			$65,326,993 14
Changes during year ended June 30th, 1894—			
RIGHT OF WAY SETTLEMENTS (including $8,000 for additional depot grounds in Pine Bluff, Ark.)		$11,691 94	
EQUIPMENT—			
One dismantled narrow gauge engine, rebuilt and placed in service on T. S. E. R'y	$ 3,455 35		
Cars Rebuilt—			
Baggage, Mail and Express Cars	6,725 70		
Freight Cars	10,389 59		
Caboose Car	700 50		
Cinder Car	384 28		
	$21,655 42		
Less—			
Cars destroyed during year that will not be rebuilt (loss charged to Operating Expenses monthly as cars were destroyed) $18,720 00			
One standard gauge engine sold 3,800 00			
One standard gauge coach sold 1,770 00			
One standard gauge flat car sold 175 00	24,465 00		
Deductions account of Equipment		2,809 58	
Total net additions for the year			8,882 36
Total Cost of Road and Equipment to June 30th, 1894			$65,335,875 50

EXHIBIT I.

CONSTRUCTION ACCOUNTS—ENTIRE SYSTEM.

Argenta Extension	$20,722 81
Survey—Delta to Cape Girardeau	808 14
	$21,530 95

The amount expended in constructing the Argenta extension, involving an increase of nine-tenths (.9) of one mile in main track mileage of the Little Rock Branch, was provided for out of current assets. No additional bonds have been issued to cover this increase of main track mileage.

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EXHIBIT J.

REAL ESTATE—ENTIRE SYSTEM.

In Little Rock (not used for railroad purposes)	$27,327 95

EXHIBIT K.

INVESTMENTS IN STOCKS AND BONDS—ENTIRE SYSTEM.

DESCRIPTION.	Cost to Co.
First Mortgage Bonds St. L. S. W. R'y Co. in Treasury, face value $500,000	$500,000 00
Capital Stock Paragould Southeastern R'y Co., face value . . . 25,000	25,000 00
First Mortgage Bonds Paragould Southeastern R'y Co., face value 25,000	
First Mortgage Bonds Gulf & Ship Island R'y, face value . . . 15,000	1,500 00
Total	$526,500 00

The annual interest accruing to the company on these investments is $21,500.00, being 4.08 per cent. on their cost.

During the fiscal year ended June 30th, 1894, the Paragould & Buffalo Island Railroad Co. was reorganized under the name of the Paragould Southeastern Railway Co. In accordance with an agreement dated June 14th, 1893, with Bertig Bros. and J. F. Hasty & Sons, parties operating the Paragould Southeastern Railway, the St. Louis Southwestern Railway Co. surrendered $25,000.00 in First Mortgage bonds of the Paragould & Buffalo Island Railroad Co. in exchange for $25,000.00 in Capital Stock and $25,000.00 in First Mortgage bonds of the Paragould Southeastern Railway Co. One of the provisions of this agreement requires the parties operating the Paragould Southeastern Railway to put that road in good condition and to extend the same eastwardly, across the St. Francis River, to lands owned by Bertig Bros.

The Paragould Southeastern Railway connects with this line at Paragould, Ark., is about ten miles in length, and will in time, no doubt, prove a valuable feeder to this Company's line.

EXHIBIT L.

ADVANCES TO SUNDRY AGENTS (TO BE ACCOUNTED FOR)—ENTIRE SYSTEM.

Paid Claims Unadjusted	$18,741 91

This account is composed of loss, damage and overcharge claims, paid by agents of this Company (in protection of bills of lading, etc.), in process of investigation and adjustment. A large proportion of the amount will be collected back from foreign lines.

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EXHIBIT M.

FLOATING DEBT—ENTIRE SYSTEM.

JUNE 30TH, 1894.

CURRENT LIABILITIES.		
SUNDRY ACCOUNTS PAYABLE—		
Audited vouchers and pay rolls prior to June 1st, 1894		$258,164 59
Audited vouchers and pay rolls, June, 1894, not payable until July 20th, 1894		255,991 45
Bills Payable—		
Due on account of loans effected, to-wit.—		
Estate of Jay Gould—Demand note, dated April 20th, 1892	$270,000 00	
Commercial Bank of St. Louis—Notes dated in April, 1894, due in July, August, September and October, 1894	150,000 00	
Third National Bank of St. Louis—Notes dated in April, 1894, due in July, August, September and October, 1894	100,000 00	
Due for Supplies, etc.—		
Notes favor sundry persons, due on various dates	20,156 02	540,156 02
Taxes, Year 1894 (accrued, not due)		56,708 94
		$1,111,021 00
INTEREST ON BONDS—		
Due and unpaid (unpresented coupons—money to pay on deposit with Central Trust Co. of New York)	$46,080 00	
Accrued, not due	133,333 33	179,413 33
Total		$1,290,434 33
CURRENT ASSETS.		
CASH—		
In hands of Treasurer	$ 24,015 18	
Remittances in transit from Agents and Conductors	46,255 91	
In hands of Paymaster	4,564 64	
Central Trust Co. of New York—Coupon Account	46,080 00	$120,915 73
SUNDRY ACCOUNTS COLLECTIBLE—		
Station Agents and Conductors	$ 39,201 48	
Foreign Roads—Freight, Ticket and Mileage Accounts	29,255 94	
Bills receivable	3,205 82	
U. S. Post Office Department	25,832 34	
Pacific Express Co.	6,000 00	
Superintendent of Telegraph	404 83	
Individuals and Companies—Open Accounts	49,025 87	152,926 28
SUPPLIES AND MATERIAL ON HAND—		
Shop Supplies	$106,473 19	
Fuel	22,828 12	
Bridge and Building Material	50,845 46	
Cross Ties	21,541 98	
Steel Rails—New	288 07	
Second-hand Rails	13,968 81	
Stationery Stock	5,910 03	221,855 66
Total		$495,697 67
Floating Debt, or Balance of Current Liabilities in excess of Current Assets		$794,736 66
The Company has available assets consisting of investments in stocks and bonds as per Exhibit K (face value $565,000—cost to Company $526,500). Based on the quotations of the N. Y. Stock Exchange in September, 1894 for such as are listed, and estimating the others at a low valuation, the total market value of these securities is, approximately		326,500 00
Net Floating Debt after deducting market value of investments		$468,236 66

A careful analysis of the foregoing statement will demonstrate that the actual financial condition of the Company, with respect to its floating indebtedness, is much better than appears from a cursory glance at the statement. There are included in this statement under the head of "Current Liabilities," first, audited vouchers and pay rolls for June, 1894, which, in the ordinary course of business, could not have been paid on June 30th, and

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which were not due until July 20th, $255,991.45; second, taxes for year 1894, accrued but not due until the year 1895, $56,708.94; and third, interest on First Mortgage Bonds accrued, but not due until November 1st, 1894, $133,333.33, the three items aggregating $446,033.72. Allowing the amount of the June, 1894, audited vouchers and pay rolls to remain in the Exhibit of Floating Debt, and excluding therefrom the items of interest and taxes accrued but not due, the result will show a net floating debt of $278,194.39 only, which barely exceeds the amount of money borrowed by the Company in April, 1894.

With reference to the liabilities classed as "Bills Payable" (notes), it is pertinent to state that $270,000 of the amount is due the Estate of Jay Gould for money borrowed, soon after the road was turned over to this Company, in order to carry on the work of necessary improvements begun by the Re-organization Committee. Of the remainder of the liability on account of Bills Payable, as shown, there has been paid at this writing since June 30th, 1894, the sum of $102,025.37.

Although not formally taken up on the books as assets, the Company has in its Treasury, in addition to the securities stated in the foregoing table, bonds and stock of its own issue, which represent the surplus, after providing for the old securities deposited under the plan of re-organization, as follows:

	Face Value.
First Mortgage Certificates, 1 @ $1,000	$ 1,000 00
First Mortgage Certificates (fractional scrip)	440 00
Second Mortgage Certificates, 31 @ $1,000	31,000 00
Second Mortgage Certificates (fractional scrip)	227 50
Preferred Stock, 1063½ shares @ $100	106,350 00
Common Stock, 1439 shares @ $100	143,900 00
Total	$282,917 50

EXHIBIT N.

CAPITAL STOCK—ENTIRE SYSTEM.

JUNE 30TH, 1894.

DESCRIPTION.	Number of Shares Authorized.	Par Value of Shares.	Total Par Value Authorized.	Total Amount Issued and Outstanding.
Preferred	200,000	$100 00	$20,000,000 00	$20,000,000 00
Common	165,000	100 00	16,500,000 00	16,500,000 00
Totals	365,000	—	$36,500,000 00	$36,500,000 00

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EXHIBIT O.

BONDS—ENTIRE SYSTEM.

JUNE 30TH, 1894.

DESCRIPTION.	Time.		Amount of Authorized Issue.	Amount Issued.	Amount Outstanding.	Interest.	
	Date of Issue.	When Due.				Rate.	When Payable.
First Mortgage	Nov. 1, 1890.	Nov. 1, 1989.	$20,000,000 00	$20,000,000 00	$20,000,000 00	4%	May and Novemb'r
Second Mortgage, Income,	Nov. 1, 1890.	Nov. 1, 1989.	10,000,000 00	8,000,000 00	8,000,000 00	*4%	January and July.
Totals .	—	—	$30,000,000 00	$28,000,000 00	$28,000,000 00	—	—

*If earned.

EXHIBIT P.

EQUIPMENT TRUST OBLIGATIONS.

Total outstanding (not due) June 30th, 1893	$714,339 98
Deduct—	
Notes maturing during year ended June 30th, 1894, that were paid as they fell due, amounting to	104,701 30
Total outstanding (not due) June 30th, 1894, shown in detail below . . .	$609,638 68

WHEN DUE.	St. L. Ark. & Tex. Ry.		St. L. S. W. Ry.	Total.
	Series "A 1."	Series "A 37."	Series "A."	
Due during year ending June 30th, 1895	$ 65,743 90	$ 23,395 16	$ 50,000 00	$139,139 06
" " " " " 30th, 1896	60,486 66	62,325 16	25,000 00	147,811 82
" " " " " 30th, 1897	20,984 90	26,145 16	25,000 00	72,130 06
" " " " " 30th, 1898	—	77,285 16	25,000 00	102,285 16
" " " " " 30th, 1899	—	23,272 58	25,000 00	48,272 58
" " " " " 30th, 1900	—	—	25,000 00	25,000 00
" " " " " 30th, 1901	—	—	25,000 00	25,000 00
" " " " " 30th, 1902	—	—	25,000 00	25,000 00
" " " " " 30th, 1903	—	—	25,000 00	25,000 00
Totals	$147,215 46	$212,423 22	$250,000 00	$609,638 68
Average annual payment for nine years	—	—	—	$ 67,737 63

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EXHIBIT Q.

MISCELLANEOUS ACCOUNTS—ENTIRE SYSTEM.

Balance of Sundry Accounts in process of adjustment . . .	$27,549 96

The following statement, considered in connection with the preceding financial statements, furnishes in a condensed form an analysis of all resources (showing also how the same were applied) during the year ended June 30th, 1894:

SUMMARY OF FINANCIAL TRANSACTIONS—ENTIRE SYSTEM.

YEAR ENDED JUNE 30TH, 1894.

RESOURCES.	
Gross Earnings	$4,615,144 20
Miscellaneous credits to Income Account, including interest on bonds owned	31,030 61
Donated Town Lot sales	505 00
Equipment Replacement Fund	23,665 00
Equipment, New	2,809 58
Decrease in Sundry Accounts in suspense	27,399 17
Increase in Current Liabilities	287,285 21
	$4,987,838 77
APPLICATION OF RESOURCES.	
Operating Expenses (including $113,547.81 expended for Betterments)	$3,873,778 14
Taxes	113,825 45
Interest and Exchange	23,852 69
Interest on First Mortgage Bonds	800,000 00
Miscellaneous charges against Income Account	32,486 99
Equipment Trust Notes paid	104,701 30
Right of Way Settlements	11,691 94
Hospital Fund	160 64
Increase in Current Assets	27,341 62
	$4,987,838 77

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TRAFFIC.

FREIGHT TRAFFIC.

TONNAGE AND REVENUE—ENTIRE SYSTEM.

ITEM.	Year ended June 30, 1894.	Year ended June 30, 1893.	Increase.	Per cent.	Decrease.	Per cent.
No. of Tons carried	1,328,377	1,506,696	—	—	178,319	11.84
No. of Tons carried one mile	282,162,773	329,183,200	—	—	47,020,427	14.28
Average Distance haul of one Ton (miles)	212.41	218.48	—	—	6.07	2.78
*Total Freight Earnings . .	$3,498,158.58	$3,988,319.72	—	—	$490,161.14	12.29
*Average Earnings per Ton .	$2.6334	$2.6471	—	—	$0.0137	.52
*Average Earnings per Ton per mile	$0.0124	$0.0121	$0.0003	2.48	—	—

* Actual Earnings derived from hauling Freight, not including any portion of Miscellaneous Earnings.

The decrease in freight traffic, as indicated by the foregoing table, is attributable to the extraordinary commercial inactivity that prevailed during the fiscal year for which this report is made, which had its adverse effects by causing a temporary paralysis of the extensive lumber and other industries located on and adjacent to this line, as well as seriously arresting the general freight movement into the Southwest.

It is a noteworthy fact, however, that while the total tonnage carried decreased 11.84 per cent. (178,319 tons), and the freight revenue therefrom decreased 12.29 per cent. ($490,161.14), the freight train mileage shows relatively a still greater decrease, namely, 16.18 per cent. (358,791 miles), resulting in a corresponding decrease in operating expenses.

The average earnings per ton decreased but fifty-two one hundredths of one per cent. (0.52%), while the average earnings per ton per mile increased two and forty-eight one-hundredths of one per cent. (2.48%). The increase shown in the average revenue per ton per mile in face of the demoralized rate conditions that existed during October, November and December, 1893, and May, 1894, is especially gratifying. An important factor in maintaining these stable tonnage averages is the substantial increase in cotton tonnage, a high rate freight, which tends

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largely to offset the marked decreases in the tonnage of lumber, grain and other miscellaneous low class freight.

To better illustrate the increase and decrease in tonnage of the various commodities, the following table, showing the number of tons of each commodity hauled during the year ended June 30th, 1894, compared with the previous year, is submitted. This table also shows the relative percentage of the tonnage of each commodity to the total tonnage of all commodities, and the relative percentage of the increased or decreased tonnage of each commodity to the total tonnage of each commodity, for the year ended June 30th, 1894, and furnishes a comprehensive analysis of the general tonnage movement.

CLASSIFICATION OF TONNAGE—ENTIRE SYSTEM.

COMMODITIES.	Year ended June 30, 1894.		Year ended June 30, 1893.		Increase.		Decrease.	
	Tons.	Per cent.	Tons.	Per cent.	Tons.	Per cent.	Tons.	Per cent.
Lumber	663,729	49.97	826,069	54.83	—	—	162,340	19.65
Cotton	101,994	7.68	84,690	5.62	17,304	20.43	—	—
Cotton Seed Products	74,968	5.64	51,230	3.40	23,738	46.34	—	—
Grain	73,564	5.54	103,006	6.84	—	—	29,442	28.58
Flour	45,229	3.40	43,979	2.92	1,250	2.84	—	—
Other Mill Products	14,833	1.12	14,748	.98	85	.58	—	—
Hay	25,516	1.92	22,932	1.52	2,584	11.27	—	—
Tobacco	599	.04	394	.03	205	52.03	—	—
Vegetables	11,679	.88	9,749	.65	1,930	19.80	—	—
Live Stock	36,160	2.72	37,426	2.48	—	—	1,266	3.38
Bacon	8,614	.65	13,050	.87	—	—	4,436	33.99
Merchandise	60,997	4.59	63,368	4.21	—	—	2,371	3.74
Coal (includ'g Charcoal)	89,601	6.75	86,056	5.71	3,545	4.12	—	—
Oil	17,108	1.29	17,978	1.19	—	—	870	4.84
Sugar	6,915	.52	5,709	.38	1,206	21.12	—	—
Agricultural Implements	2,375	.18	2,788	.18	—	—	413	14.81
Emigrant Outfit	6,891	.52	7,140	.47	—	—	249	3.49
Salt	8,147	.61	8,476	.56	—	—	329	3.88
Wine, Liquors and Beer	6,699	.50	8,199	.54	—	—	1,500	18.29
Miscellaneous	72,759	5.48	99,709	6.62	—	—	26,950	27.03
Total	1,328,377	100.00	1,506,696	100.00	51,847	—	230,166	—
						Net Decrease	178,319	11.84

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Lumber furnishes the largest decrease of any commodity hauled during the year ended June 30th, 1894, which, as previously stated, is due to the extraordinary commercial inactivity which prevailed during that year.

On the other hand, cotton shows a distinct increase as a result of the good crops of the season of 1893-94. Following is a brief table showing the number of bales of cotton transported over the System, and the revenue therefrom, for the year ended June 30th, 1894, compared with the previous year:

	Year ended June 30th, 1894.	Year ended June 30th, 1893.	Increase.
No. of Bales	400,480	331,726	68,754
Revenue	$744,484 37	$643,312 14	$101,172 23

It will also be noted that cotton seed products shows an unusually heavy increase. This is due primarily to the increase in the cotton crop; also to the fact that a large number of oil mills, whose owners are not members of what is known as the "Trust," were built during the past fiscal year, and this competition with the "Trust" mills has advanced the price of cotton seed to such an extent, that a great deal of this seed was marketed that had heretofore been used by farmers for fertilizing purposes.

The shrinkage in grain shipments, as compared with the previous year, is caused by the extraordinary tonnage of this commodity for the year ended June 30th, 1893. During the early part of 1893 the Mexican Government removed the duty from grain, temporarily, to relieve the distress in that country, and large quantities of this commodity poured into Mexico via the Texas lines. The tonnage of grain for the year ended June 30th, 1894, shows a healthy increase over previous years, excepting the year ended June 30th, 1893.

The decrease in miscellaneous freight reflects the impeded movement of freight from St. Louis and the various Central and Eastern manufacturing points to points in the Southwest, and is directly traceable to the commercial stagnation which prevailed during the past year.

As an evidence of the healthy condition of the territory traversed by this line, reference is made to the following table for the year ended June 30th, 1894, which shows the total tonnage of each commodity originating at stations

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on this System, and the total tonnage of each commodity received from connecting lines, with the relative percentage of the tonnage of each commodity originating on this System, and received from connecting lines, to the total tonnage of each commodity. Particular attention is called to the fact that 72.64 per cent. of the total tonnage transported originated at points located on this System, which must be considered as a very favorable condition when estimating the future prospects and possibilities of the property with reference to its earnings capacity.

FREIGHT TRAFFIC ORIGINATING ON THIS ROAD AND RECEIVED FROM CONNECTING ROADS—ENTIRE SYSTEM.

YEAR ENDED JUNE 30TH, 1894.

COMMODITY.	Freight originating on this road.		Freight received from connecting roads.		Total number of Tons.
	Number of Tons.	Per cent of commodity Total.	Number of Tons.	Per cent of commodity Total.	
Lumber	617,219	92.99	46,510	7.01	663,729
Cotton	95,876	94.00	6,118	6.00	101,994
Cotton Seed Products	69,916	93.26	5,052	6.74	74,968
Grain	46,171	62.76	27,393	37.24	73,564
Flour	14,617	32.32	30,612	67.68	45,229
Other Mill Products	4,092	27.59	10,741	72.41	14,833
Hay	17,896	70.14	7,620	29.86	25,516
Tobacco	141	23.54	458	76.46	599
Vegetables	5,304	45.41	6,375	54.59	11,679
Live Stock	27,751	76.75	8,409	23.25	36,160
Bacon	416	4.83	8,198	95.17	8,614
Merchandise	26,715	43.80	34,282	56.20	60,997
Coal (including Charcoal)	6,843	7.64	82,758	92.36	89,601
Oil	562	3.29	16,546	96.71	17,108
Sugar	512	7.40	6,403	92.60	6,915
Agricultural Implements	556	23.41	1,819	76.59	2,375
Emigrant Outfit	2,537	36.82	4,354	63.18	6,891
Salt	2,525	30.99	5,622	69.01	8,147
Wines, Liquors and Beer	851	12.70	5,848	87.30	6,699
Miscellaneous	24,469	33.63	48,290	66.37	72,759
Total	964,969	72.64	363,408	27.36	1,328,377

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A number of new industries have located on this line during the fiscal year ended June 30th, 1894: notably, two saw mills and a stave and heading factory at Hanleys, Mo. (Mile Post 15); flouring mill, with a capacity of fifty barrels per day, at Piggott, Ark.; two cotton oil mills at Little Rock, Ark.; handle factory at Bearden, Ark.; gin and grist mill at Benton, La.; addition to cotton oil mill at Sherman, Texas, making it the largest in the world; flouring mill and elevator, with capacity of two hundred and fifty barrels per day, at Plano, Texas, (under construction); cotton oil mill at Waco, Texas; cotton oil mill at Blooming Grove, Texas, and saw mills at East Prairie, Mo., Markle, Ark. (Mile Post 177), Fordyce, Ark., Lewisville, Ark., Canfield, Ark., Alden Bridge, La., Martindale, La., Floyds, Texas, Big Sandy, Texas, and Cloyds, Texas.

The establishment of these new industries, considered in connection with the partially revived conditions of trade, and the prospects of good crops of all kinds along this line, presages a substantial increase in all classes of freight traffic during the ensuing fall and winter months.

PASSENGER TRAFFIC.

PASSENGERS CARRIED AND REVENUE—ENTIRE SYSTEM.

ITEM.	Year ended June 30, 1894.	Year ended June 30, 1893.	Increase.	Per cent.	Decrease.	Per cent.
Number of Passengers carried .	810,801	842,493	—	—	31,692	3.76
Number of Passengers carried one mile	37,040,490	35,019,502	2,020,988	5.77	—	—
Average distance one Passenger carried (miles)	45.68	41.57	4.11	9.89	—	—
*Total Passenger Earnings . .	$883,408.68	$879,526.52	$3,882.16	.44	—	—
*Average Earnings per Passenger	$1.0896	$1.0440	$0.0456	4.37	—	—
*Average Earnings per Passenger per mile	$0.0238	$0.0251	—	—	$0.0013	5.18

*Actual Earnings derived from hauling Passengers, not including Mail and Express nor any portion of Miscellaneous Earnings.

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Reference to the foregoing table shows that the same conditions that adversely affected the movement of freight traffic during the fiscal year ended June 30th, 1894, had a similar influence over passenger traffic.

It is worthy of note, however, that the heavy decrease in local ticket sales and cash fare collections, due to adverse business conditions which could not be controlled, is more than offset by a distinct increase in the sales of coupon tickets by foreign lines and by this company's own agents. The sales of foreign coupon tickets, or tickets sold by foreign lines, reflects an increased immigration movement into Arkansas and Texas, and is especially gratifying in view of the decreased train service on the Ft. Worth Section. The increase in the sales of home coupon tickets, that is, coupon tickets sold from stations on this line, is directly attributable to World's Fair travel.

Attention is directed to the fact that while the ticket sales by foreign lines increased nine and eighty-four one hundredths of one per cent. (9.84%) the commissions paid foreign line ticket agents decreased twelve and twenty-five one hundredths of one per cent. (12.25%), and notwithstanding an increase in the total foreign passenger earnings of ten and eighteen hundredths of one per cent. (10.18%) the cost of passenger advertising decreased five and eighty one hundredths of one per cent. (5.80%).

Following this will be found a table showing the classification of passengers carried, and revenue therefrom, for the fiscal year ended June 30th, 1894, compared with the previous year.

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CLASSIFICATION OF PASSENGERS AND PASSENGER REVENUE—ENTIRE SYSTEM.

ITEM.	Year ended June 30, 1894.	Year ended June 30, 1893.	Increase.	Per cent.	Decrease.	Per cent.
PASSENGERS CARRIED—						
Local Tickets	632,033	656,520	—	—	24,487	3.73
Cash Fares	118,226	129,488	—	—	11,262	8.70
Home Coupon Tickets	26,138	23,308	2,830	12.14	—	—
Foreign Coupon Tickets	34,404	33,177	1,227	3.70	—	—
TOTAL	810,801	842,493	—	—	31,692	3.76
PASSENGERS CARRIED ONE MILE—						
Local Tickets	18,786,420	18,795,785	—	—	9,365	0.05
Cash Fares	1,578,458	1,721,976	—	—	143,518	8.33
Home Coupon Tickets	6,249,986	5,218,308	1,031,678	19.77	—	—
Foreign Coupon Tickets	10,425,626	9,283,433	1,142,193	12.30	—	—
TOTAL	37,040,490	35,019,502	2,020,988	5.77	—	—
PASSENGER EARNINGS—						
Local Tickets	$508,737 92	$529,927 85	—	—	$21,189 93	4.00
Cash Fares	50,118 40	55,023 00	—	—	4,904 60	8.91
Home Coupon Tickets	120,312 61	108,626 03	$11,686 58	10.76	—	—
Foreign Coupon Tickets	204,239 75	185,949 64	18,290 11	9.84	—	—
TOTAL	$883,408 68	$879,526 52	$3,882 16	0.44	—	—
EARNINGS PER PASSENGER—						
Local Tickets	$0.8049	$0.8072	—	—	$0.0023	0.28
Cash Fares	0.4239	0.4249	—	—	0.0010	0.24
Home Coupon Tickets	4.6030	4.6605	—	—	0.0575	1.23
Foreign Coupon Tickets	5.9365	5.6048	$0.3317	5.92	—	—
TOTAL	$1.0896	$1.0440	$0.0456	4.37	—	—
EARNINGS PER PASSENGER PER MILE—						
Local Tickets	$0.0271	$0.0282	—	—	$0.0011	3.90
Cash Fares	0.0318	0.0320	—	—	0.0002	0.63
Home Coupon Tickets	0.0193	0.0208	—	—	0.0015	7.21
Foreign Coupon Tickets	0.0196	0.0200	—	—	0.0004	2.00
TOTAL	$0.0238	$0.0251	—	—	$0.0013	5.18

NOTE.—The foregoing results are based on actual Earnings derived from hauling Passengers, not including Mail and Express nor any portion of Miscellaneous Earnings.

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CONDUCTING TRANSPORTATION.

MILEAGE AND CAR SERVICE STATISTICS—ENTIRE SYSTEM.

COMPARATIVE FOR YEARS ENDED JUNE 30TH, 1894-93.

FREIGHT.	Year ended June 30, 1894.	Year ended June 30, 1893.	Increase.	Per cent.	Decrease.	Per cent.
No. of Trains run	19,303	22,293	—	—	2,990	13.41
No. of Loaded Cars moved	346,070	399,657	—	—	53,587	13.41
No. of Empty Cars moved	142,258	161,420	—	—	19,162	11.87
Total No. of Cars moved	488,328	561,077	—	—	72,749	12.97
No. of Miles run by all Freight Trains (includ'g Mixed Trains)	1,858,914	2,217,705	—	—	358,791	16.18
No. of Miles run by Loaded Cars	26,611,677	31,995,299	—	—	5,383,622	16.83
No. of Miles run by Empty Cars	8,446,101	9,469,410	—	—	1,023,309	10.81
No. of Miles run by all Cars	35,057,778	41,464,709	—	—	6,406,931	15.43
No. of Miles run by Home Cars	22,137,184	19,218,982	2,918,202	15.18	—	—
No. of Miles run by Foreign Cars	12,920,594	22,245,727	—	—	9,325,133	41.92
No. of Miles run by Home Cars on Foreign Lines	9,602,422	9,429,001	173,421	1.84	—	—
Percentage of Empty Car mileage to Total Car mileage	24	23	1	—	—	—
Average No. of Trains run daily	53	61	—	—	8	13.11
Average No. of Loaded Cars moved daily	948	1,095	—	—	147	13.42
Average No. of Empty Cars moved daily	390	442	—	—	52	11.76
Average No. of all Cars moved daily	1,338	1,537	—	—	199	12.95
Average No. of Loaded Cars in each Train	14.32	14.43	—	—	.11	.76
Average No. of Empty Cars in each Train	4.54	4.27	.27	6.32	—	—
Average No. of all Cars in each Train	18.86	18.70	.16	.86	—	—
Average No. of Miles run by Trains daily	5,093	6,076	—	—	983	16.18
Average No. of Miles run by each Train	96	99	—	—	3	3.03
Average No. of Miles run by Loaded Cars in each Train	1,379	1,435	—	—	56	3.90
Average No. of Miles run by Empty Cars in each Train	437	425	12	2.82	—	—
Average No. of Miles run by all Cars in each Train	1,816	1,860	—	—	44	2.37
Average No. of Miles run per Car per day—Home Cars	24	24	—	—	—	—
Average No. of Miles run per Car per day—Foreign Cars	19	23	—	—	4	17.39
Average No. of Miles run per Car per day—This Company's cars on Foreign Lines	20	16	4	25.00	—	—
Average No. of Cars on Line—Home	2,572	2,212	360	16.27	—	—
Average No. of Cars on Line—Foreign	1,875	2,700	—	—	825	30.56
Average No. of this Company's cars on Foreign Lines	1,331	1,616	—	—	285	17.64

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MILEAGE AND CAR SERVICE STATISTICS—ENTIRE SYSTEM—*Continued.*

PASSENGER.	Year ended June 30, 1894.	Year ended June 30, 1893.	Increase.	Per cent.	Decrease.	Per cent.
No. of Trains run	8,805	8,201	604	7.36	—	—
No. of Cars moved	36,613	32,660	3,953	12.10	—	—
No. of Miles run by Trains (not including Mixed Trains)	1,298,870	1,241,859	57,011	4.59	—	—
No. of Miles run by Home Cars	4,715,771	4,629,209	86,562	1.87	—	—
No. of Miles run by Foreign Cars	902,479	913,229	—	—	10,750	1.18
No. of Miles run by all Cars	5,618,250	5,542,438	75,812	1.37	—	—
Average No. of Trains run daily	24	22	2	9.09	—	—
Average No. of Cars moved daily	100	89	11	12.36	—	—
Average No. of Cars moved in each Train	4.05	3.98	.07	1.76	—	—
Average No. of Miles run by Trains daily	3,559	3,402	157	4.61	—	—
Average No. of Miles run by each Train	148	151	—	—	3	1.99
Average No. of Miles run by Cars daily	15,392	15,185	207	1.36	—	—
Average No. of Miles run per Car per day—Home Cars	177	174	3	1.72	—	—
Average No. of Miles run per Car per day—Foreign Cars	145	227	—	—	82	36.12
Average No. of Cars on Line—Home	73	73	—	—	—	—
Average No. of Cars on Line—Foreign	17	11	6	54.55	—	—

FREIGHT.

The statistics for the year ended June 30th, 1894, shown in the foregoing table are based on an increase of 500 new box cars of 60,000 lbs. capacity, purchased under Car Trust agreement and received during the latter part of June, 1893. Otherwise the equipment on hand remains practically the same as compared with the preceding fiscal year.

As stated elsewhere in this report, the decrease in freight train mileage—358,791 miles or 16.18 per cent.—has more than kept pace with the decrease in freight tonnage which equals 11.84 per cent.

Of the total number of miles run by all freight cars, amounting to 35,057,778 miles, 76 per cent. was loaded movement as against 77 per cent. last year; 63 per cent. of this entire movement was handled in home cars as against 46 per cent. for the previous year, an increase of 17 per cent.

During the latter part of April, 1894, a general strike was inaugurated throughout the country by the coal miners, creating such a scarcity of coal that it was found necessary to reduce the number of freight trains run, moving only high class freight.

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This condition continued throughout the months of May and June, and in the latter part of June a general strike of the American Railway Union was inaugurated.

These stoppages to traffic forced home cars to remain almost idle for at least six weeks of the year, and the good record in the movement of such cars, that had been made up to the time of the commencement of these troubles, was thereby seriously affected. Notwithstanding the ill effects of the labor troubles, a large reduction in freight train mileage and the addition of 500 new box cars (which naturally tends to reduce the performance of home cars per car per day on this line), it will be noted that home cars averaged 24 miles per car per day, the same as last year. Foreign cars made an average of only 19 miles per car per day as against 23 miles last year, being a decrease of 4 miles per foreign car per day.

The percentage of empty car mileage to total car mileage was 24 per cent. against 23 per cent. last year, being an increase of one per cent. This is explained by the fact that freight traffic decreased to such an extent that it became necessary to haul empty cars from northern terminal points—Bird's Point and Delta —to points on the Arkansas division for lumber loading, there being no business offered with which to load them on south bound trips.

The transfer shed at Texarkana has proven to be an important factor in the reduction of the mileage made by foreign cars on this line, viz., 9,325,133 miles, or 41.92 per cent.

The following table shows the amount earned by St. Louis Southwestern Railway System freight cars on foreign roads, and the amount paid for mileage of foreign freight cars on this line during the year ended June 30th, 1894, compared with the year ended June 30th, 1893.

DESCRIPTION.	Year ended June 30, 1894.	Year ended June 30, 1893.	Decrease
Amount earned by foreign freight cars on St. L. S. W. R'y—Entire System	$101,152 76	$168,715 02	$67,562 26
Amount earned by St. L. S. W. R'y System freight cars on foreign roads	62,812 09	69,509 24	6,697 15
Net balance due foreign roads	$38,340 67	$99,205 78	$60,865 11

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An analysis of the foregoing figures shows a very gratifying result in the saving of $60,865.11 as compared with the preceding fiscal year on account of interchange of freight cars with foreign roads, and amounts paid for mileage of refrigerator and other private line cars. A large number of refrigerator, stable and other private line cars are handled by this line affording it no opportunity to receive mileage in return. The total amount paid out for mileage of such cars during the year ended June 30, 1894, was $30,604.84.

PASSENGER.

There has been a slight improvement in the performance of passenger equipment as compared with the preceding fiscal year. A few more trains have been run, a few more cars moved, and the foreign passenger car mileage has been decreased. The increase in the average number of miles run per home car per day, and the abandonment of trains on account of labor troubles and scarcity of coal, has served to reduce the average number of miles run per car per day by foreign cars 82 miles, or 36.12 per cent.

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MAINTENANCE OF WAY.

ROAD DEPARTMENT.

CHARACTER OF RAIL IN MAIN TRACK, JUNE 30TH, 1894.

LOCATION.	56-lb. Steel.	35-lb. Steel.	Total Miles.
ST. LOUIS SOUTHWESTERN R'Y CO.—			
Main Line	418.00	—	418.00
New Madrid Branch	—	5.70	5.70
Delta Branch	51.40	—	51.40
Little Rock Branch	41.20	.50	41.70
Magnolia Branch	.02	6.38	6.40
Shreveport Branch.	59.50	—	59.50
Total	570.12	12.58	582.70
ST. LOUIS SOUTHWESTERN R'Y CO. OF TEXAS—			
Main Line	258.29	46.31	304.60
Sherman Branch	110.00	—	110.00
Ft. Worth Branch	97.10	—	97.10
Hillsboro Branch	40.00	—	40.00
Total	505.39	46.31	551.70
TYLER SOUTHEASTERN R'Y CO.—			
Main Line	—	88.60	88.60
ENTIRE SYSTEM	1,075.51	147.49	1,223.00

During the fiscal year just closed between eight and nine thousand feet of good 56-pound steel rail was taken out of the main track of the Little Rock Branch and replaced with 35-pound steel. The good 56-pound rail taken up was used in the main line track to replace rail that had become headworn.

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To properly maintain the track in good condition during the ensuing year, it will be necessary to purchase fifteen track miles of new heavy steel rails, 70 pounds to the yard preferred, but not less than 63 pounds, to be laid principally on the Arkansas Division. The good 56-pound rail taken up and replaced by this new rail can be used to good advantage in other parts of the main line to replace defective rails, and the defective rails removed from the main line can be used in side tracks now having 35-pound rail, which is too light for such portions of the line where heavy engines are used.

No new rail was purchased during the fiscal year ended June 30th, 1894.

During the year 27.6 miles of standard new wire fence has been built on the line of the St. Louis Southwestern Railway; the policy having been to fence in those portions of the line where the records of the Stock Claim department show the heaviest losses for killing stock to have occurred.

No attempt has been made during the year to do any extensive fencing of right of way on the lines in Texas, the work being principally confined to cattle guard wings and open places where a short fence will avoid the necessity of maintaining a cattle guard, and also in localities where right of way has been obtained in consideration of the Company fencing through the land. In this manner three and fifty-two one hundredths (3.52) miles of standard Texas fence have been built.

The work of replacing all defective log culverts with standard tile drains or cast iron pipes on the line of the St. Louis Southwestern Railway has been continued without interruption throughout the year; a total of 67 culverts have been replaced, aggregating 3,268 lineal feet, at a total cost of $10,244.06. On the lines in Texas only one log culvert was replaced during the year.

The physical condition of the track has been fully maintained. The work of improvement and maintenance carried on during the year in addition to that mentioned in the foregoing remarks, is shown in detail in the following table which embraces a comparison with similar work performed during the preceding fiscal year.

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ROAD DEPARTMENT.

COMPARATIVE STATEMENT OF MAINTENANCE AND IMPROVEMENTS DURING YEAR ENDED JUNE 30TH, 1894–93.

CHARACTER OF WORK.	St. L. S. W. R'y Co.		St. L. S. W. R'y Co. of Texas.		T. S. E. R'y Co.		Entire System.	
	Year ended June 30, 1894.	Year ended June 30, 1893.	Year ended June 30, 1894.	Year ended June 30, 1893.	Year ended June 30, 1894.	Year ended June 30, 1893.	Year ended June 30, 1894.	Year ended June 30, 1893.
Miles of track ditched by plow	1.2	44.3	55.7	51.4	—	—	56.9	95.7
Miles of track ballasted	22.0	37.7	40.4	32.8	.3	.4	62.7	70.9
Miles of track relaid with 56-lb. steel	1.0	1.2	.2	1.8	—	—	1.2	3.0
Miles of track relaid with 35-lb. steel	—	.9	.2	.1	—	.2	.2	1.2
Miles of new saw mill spurs, private and side tracks	6.8	9.1	2.0	3.4	.5	—	9.3	12.5
Miles of old side tracks taken up	4.9	3.2	2.0	1.4	.3	—	7.2	4.6
Number of cross ties placed in track	289,437	277,725	283,245	262,413	15,474	8,641	588,156	548,779
Sets of switch ties placed in track	83	136	87	88	1	4	171	228

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BRIDGES AND BUILDINGS DEPARTMENT.

BRIDGES—PERMANENT SPANS.

ST. LOUIS SOUTHWESTERN RAILWAY COMPANY.

The new draw span erected at White River on the main line in Arkansas, during the fiscal year ended June 30th, 1893, has given excellent satisfaction. The two combination spans forming the approaches to the bridge are still carried upon false work, and if necessity demands can be carried throughout the ensuing fiscal year, but it is important that these spans should be replaced with modern steel structures and new masonry abutments at as early a date as the financial condition of the Company will permit.

At Moro River, on the main line in Arkansas, the combination span was replaced during the year with a through steel plate girder of 80 foot span at a total cost of $4,494.43.

At Castor River in Missouri, on the Delta Section, the Howe truss span was replaced during the year with a steel truss of 130 foot span, costing in the aggregate $8,173.32.

ST. LOUIS SOUTHWESTERN RAILWAY COMPANY OF TEXAS.

The work of replacing the old combination span at Tehuacana River located on the main line, with a modern plate girder was completed during the year, a steel through plate girder having been erected at a total cost of $5,362.22.

On the Ft. Worth Branch it became necessary to replace the four Howe truss spans erected during construction over East Fork Trinity River, Rowlett's, Spring and White Rock Creeks, with modern spans capable of carrying an increased weight of rolling stock. Contract for this work has been let and the spans are now being erected. It had been contemplated to build masonry piers for these spans but as a measure of economical necessity they are being erected upon cedar pile bridge seats which will be sufficient for some years to come.

The following statement shows the location and character of permanent spans of the entire system, June 30, 1894.

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BRIDGES—STATEMENT OF PERMANENT SPANS, JUNE 30TH, 1894.

LOCATION.	Mile Post.†	No. of Spans.	Length, Each.	Total Length.	Kind of Structure.	Class.*	Year Built.
ST. LOUIS SOUTHWESTERN R'Y CO.—			Feet.	Feet.			
St. Francis River	70	1	100	100	Plate Girder Draw	A	1892
White River	214.6	1	355	—	Pin Connected Draw	A	1892
White River	214.6	2	125	605	Combination	C	1883
Arkansas River	261	1	65	—	Plate Girder	A	1891
Arkansas River	261	1	428	—	Pin Connected Draw	A	1891
Arkansas River	261	2	200	—	Pin Connected Truss	A	1888
Arkansas River	261	3	200	—	Pin Connected Truss	A	1888
Arkansas River	261	1	100	1,593	Pin Connected Truss	A	1891
Saline River	294.5	2	50	—	Plate Girder	A	1890
Saline River	294.5	1	150	250	Pin Connected Truss	A	1890
Moro River	302.7	1	80	80	Plate Girder	A	1893
Ouachita River	335.9	1	290	290	Pin Connected Draw	A	1891
Red River	396.8	1	300	—	Pin Connected Draw	C	1883
Red River	396.8	1	200	—	Pin Connected Truss	A	1888
Red River	396.8	1	61	561	Plate Girder	B	1886
Backwater River	I 3	1	100	100	Pin Connected Truss	A	1890
Whitewater River	I 8.2	1	140	140	Pin Connected Truss	A	1890
Castor River	I 19.6	1	130	130	Pin Connected Truss	A	1893
Total	—	23	—	3,849	—	—	—
ST. LOUIS SOUTHWESTERN R'Y CO. OF TEXAS—							
Trinity River	599.3	1	200	200	Pin Connected Truss	A	1890
Tehuacana River	669.8	1	95	95	Plate Girder	A	1893
Brazos River	675.8	3	150	—	Pin Connected Truss	B	1886
Brazos River	675.8	2	53	556	Plate Girder	B	1886
South Bosque River	687.5	1	150	150	Pin Connected Truss	B	1892
Harris Creek	689.5	1	70	70	Plate Girder	A	1890
Leon River, 1st Crossing	706.8	1	125	125	Pin Connected Truss	B	1886
Leon River, 2d Crossing	711.5	1	125	125	Pin Connected Truss	B	1886
Richland Creek	F 647.7	1	125	125	Pin Connected Truss	A	1890
Cedar Creek	D 582.1	1	125	125	Pin Connected Truss	B	1888
Choctaw Creek	D 583.7	1	125	125	Pin Connected Truss	B	1888
East Fork Trinity River	C 574.2	1	105	105	Howe Truss	C	1888
Rowlett's Creek	C 584.5	1	125	125	Howe Truss	C	1889
Spring Creek	C 589.6	1	105	105	Howe Truss	C	1888
Prairie Creek	C 591.5	1	80	80	Lattice Girder	A	1890
White Rock Creek	C 596.1	1	101	101	Howe Truss	C	1889
Total	—	19	—	2,212	—	—	—
ENTIRE SYSTEM	—	42	—	6,061	—	—	—

†NOTE.—Location of mile posts; without prefix, Main Line; I, Delta Branch; F, Hillsboro Branch; D, Sherman Branch; C, Ft. Worth Branch.

*NOTE.—Class A, sufficient to carry two Consolidation engines coupled, followed by a rolling load of 3,000 pounds per lineal foot.
Class B, sufficient to carry two Consolidation engines coupled, followed by a rolling load of 2,240 pounds per lineal foot.
Class C, sufficient to carry two Mogul engines coupled, followed by a rolling load of 2,000 pounds per lineal foot.

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TRESTLES.

The work of maintenance of trestles has been well kept up during the year and all structures which could not be carried over have been rebuilt with the new standard trestles adopted in 1893.

On the line of the St. Louis Southwestern Railway 13,707 lineal feet of trestle have been rebuilt. The policy indicated in the last annual report of filling up all unnecessary trestles and substituting tile drain culverts for them has been continued throughout the year; in all 42 trestles aggregating 567 lineal feet have been filled and 17 culverts substituted for them.

On the lines in Texas 17,345 lineal feet of trestle have been rebuilt during the year. The adjustment of various waterways and the slight difference in length of individual trestles, caused by their renewal, has increased by 1,106 feet the total lineal feet of trestles on the Texas lines.

Improvement of Elm Fork bottom was commenced during the year; trestle No. 120 extended to a total distance of 1,000 feet and the embankment excavated from under the extension. This work should be completed during the ensuing year.

Bird's Point Incline—The current of the Mississippi River has during the past year been directed against the western bank of the river at Bird's Point, deepening the shoal water and thereby allowing the transfer boats easy access to the incline, and although the river has at this writing reached a stage of eleven feet, no trouble has been encountered in transferring.

Following this will be found a table showing the lineal feet of trestle bridging on the entire system June 30th, 1894.

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BRIDGES—STATEMENT OF TRESTLE BRIDGING, JUNE 30, 1894.

	Lineal Feet.
ST. LOUIS SOUTHWESTERN RAILWAY CO.—	
Bird's Point Incline	1,020
Bird's Point Section	29,114
Jonesboro Section	35,716
Pine Bluff Section	52,128
Delta Branch	8,199
Little Rock Branch	4,417
Magnolia Branch	1,037
Shreveport Branch	4,869
Total	136,500
ST. LOUIS SOUTHWESTERN RAILWAY CO. OF TEXAS—	
Texarkana Section	35,788
Tyler Section	24,633
Waco Section	4,309
Ft. Worth Branch	18,641
Sherman Branch	19,902
Hillsboro Branch	4,388
Total	107,661
TYLER SOUTHEASTERN RAILWAY CO.—	
Tyler to Lufkin	13,326
ENTIRE SYSTEM	257,487

BUILDINGS, ETC.

COMPANY SHOPS, PINE BLUFF, ARK.

The new car shops at Pine Bluff, Ark., the construction of which was commenced in June, 1893, were completed during the fiscal year ended June 30, 1894.

These shops have a ground plan of 124 feet by 288 feet, with a second story addition 124x124 feet at one end. They have materially increased the facilities of the general shops and were completed at a total cost (exclusive of the amounts expended in raising the grade of the yard adjoining) of $27,052.00; of this amount the citizens of Pine Bluff contributed as a donation about $23,000.00.

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The Bridges and Buildings department yard was transferred from its original confined quarters, to the reservation set apart for it in the general yard design and a new office and shop building erected at a cost of $2,002.52; the new quarters are convenient and materially assist in the economical handling of the yard work of that department.

DEPOT FACILITIES, PINE BLUFF, ARK.

The Company's depot facilities at Pine Bluff, both for its freight and passenger business are entirely inadequate and at the date of this report, work has been commenced on a new combination freight and passenger depot.

PASSENGER PLATFORMS.

The policy of replacing plank passenger platforms with standard gravel platforms, has been continued throughout the year. On the line of the St. Louis Southwestern Railway, 45,600 square feet have been renewed in this manner. Owing to local conditions only 8,304 square feet have been replaced on the lines in Texas. The gravel platforms have proven more economical in their maintenance and freer from accident to passengers and employes, and will be substituted for plank whenever it becomes necessary to renew the latter.

WATER STATIONS.

The St. Louis Southwestern Railway is fairly well supplied with water, the location of some of the tanks requires changing, and in the renewals of the old tanks this policy is being pursued. A standard tank has been adopted 16 x 24 feet with a capacity of 50,000 gallons. Four tanks of this size have been erected during the year at a cost of $4,089.00.

The lines in Texas have but few permanent and reliable water supplies; the Ft. Worth Branch especially suffers from an inadequate water supply. During the year there have been erected in Texas two standard 16x24 foot tanks, at a cost of $1,016.08.

MAINTENANCE AND IMPROVEMENTS.

During the fiscal year ended June 30th, 1894, the work of maintenance and improvements has been carried on steadily and much new work done, which is shown in detail and for each Company separately in the statement immediately following:

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BRIDGES AND BUILDINGS—MAINTENANCE AND IMPROVEMENTS.

YEAR ENDED JUNE 30TH, 1894.

ST. LOUIS SOUTHWESTERN R'Y CO.			Cost.
New Wooden Trestles	13,707	Lineal feet	$55,924 56
Culverts	3,268	Lineal feet	10,244 06
Wire Fence	27	Miles and 304 ft. of fence	5,888 58
Platforms (Wood)	24,573	Square feet	2,248 46
Platforms (Gravel)	45,600	Square feet	1,527 17
Cattle Guards	131		3,925 60
Stock Pens	4		972 16
Coal Bins	4		577 39
Track Scales	1		633 67
Mail Cranes	4		101 00
Station Building Outhouses	5		159 83
Water Stations	4		4,089 00
Pump and Well Houses	4		376 87
Shops, Sheds and Storerooms	7		2,766 39
Well and Well House	1		55 96
R. R. Crossing Semaphore Signals	2	(Paid for by Mill Cos.)	—
Cinder Pit	1		110 36
Yard Sewer and Culvert (one)	838	Lineal feet	316 08
Porter's House	1		112 46
Crossing Watch House	1		59 67
Station Coal Bin	1		59 92
Wagon Bridge	1		108 50
Oil House	1		83 80
Farm Gates	45		273 00
Station Building	1	(Donated)	—
		Total	$90,614 49

ST. LOUIS SOUTHWESTERN R'Y CO. OF TEXAS.			Cost.
New Wooden Trestles	17,345	Lineal feet	$66,778 25
Culverts	65	Lineal feet	266 61
Wire Fence	3	Miles and 2,722 ft. fence	468 16
Platforms (Wood)	36,789	Square feet	2,659 95
Platforms (Gravel)	4,152	Square feet	127 30
Cattle Guards	169		5,196 54
Stock Pens	3		820 02
Coal Bin	1		93 25
Track Scales	4		2,473 25
Mail Cranes	4		95 50
Station Buildings	2		581 48
Water Tanks and Frames	2		1,016 08
Wagon Bridge	1		811 47
Turn-Tables	2		873 80
Passenger Depot Extension	1		364 34
Sand Houses and Bins	2		163 96
Abutting Post	1		130 31
Stock Chute	1		104 08
Sawdust Bins	2		60 00
		Total	$83,084 35

TYLER SOUTHEASTERN R'Y CO.			Cost.
Culvert (one)	96	Lineal feet	$385 00
Platforms (Wood)	192	Square feet	20 00
Platforms (Gravel)	4,152	Square feet	106 33
Cattle Guards	3		94 00
Station Building	1		529 46
		Total	$1,134 79

ENTIRE SYSTEM,	Total	$174,833 63

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MOTIVE POWER AND CAR DEPARTMENT.

STATEMENT OF EQUIPMENT—ENTIRE SYSTEM.

CLASS.	On Hand June 30, 1893.	Changes During Year.					On Hand June 30, 1894.
		Built and Rebuilt.	Destroyed.	Sold.	Changed		
					From	To	
LOCOMOTIVES—							
Standard Gauge	131	—	—	1	—	—	130
Narrow Gauge	8	—	—	—	—	—	8
Total	139	—	—	1	—	—	138
PASSENGER CARS—							
Official . . . . Standard Gauge	4	—	—	—	—	—	4
Chair . . . . . Standard Gauge	7	—	—	—	—	—	7
Coaches . . . . . Standard Gauge	44	1	1	1	—	2	45
Coaches . . . . . Narrow Gauge	4	—	—	—	—	—	4
Combination . . . Standard Gauge	4	—	—	—	2	—	2
Baggage and Exp. . Standard Gauge	11	2	3	—	—	—	10
Mail and Express . Standard Gauge	16	1	—	—	—	—	17
Mail and Express . Narrow Gauge	2	—	—	—	—	—	2
Total	92	4	4	1	2	2	91
FREIGHT CARS—							
Refrigerator . . . Standard Gauge	25	—	—	—	—	—	25
Furniture . . . . Standard Gauge	71	1	2	—	—	—	70
Caboose . . . . Standard Gauge	68	3	1	—	—	—	70
Caboose . . . . Narrow Gauge	2	—	—	—	—	—	2
Box . . . . . Standard Gauge	2,376	16	29	—	—	—	2,363
Box . . . . . Narrow Gauge	93	—	—	—	—	—	93
Stock . . . . . Standard Gauge	335	4	17	—	—	—	322
Stock . . . . . Narrow Gauge	8	—	—	—	—	—	8
Flat . . . . . Standard Gauge	820	44	48	1	—	—	815
Flat . . . . . Narrow Gauge	110	1	13	—	—	—	98
Coal . . . . . Standard Gauge	533	13	37	—	—	—	509
Derricks	2	—	—	—	—	—	2
Steam Shovels	2	—	—	—	—	—	2
Total	4,445	82	147	1	—	—	4,379

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ADDITIONAL EQUIPMENT BUILT AT COMPANY SHOPS.

YEAR ENDED JUNE 30TH, 1894—ENTIRE SYSTEM.

CLASS OF EQUIPMENT.	Number.	Cost.
Baggage Cars	2	$ 4,526 86
Mail Cars	1	2,198 84
Flat Cars	25	5,773 39
Box Cars	6	3,461 14
Stock Cars	3	1,155 06
Cinder Cars	1	384 28
Caboose Cars	1	700 50
Total	39	$18,200 07

REPAIRS AND MAINTENANCE OF EQUIPMENT—ENTIRE SYSTEM.

ITEM.	Year ended June 30, 1894.		Year ended June 30, 1893.		Increase.		Decrease.	
	No.	Cost.	No.	Cost.	No.	Cost.	No.	Cost.
LOCOMOTIVES.								
Running Repairs	1,232	$60,666 39	1,218	$60,562 33	14	$ 104 06	—	—
Light Repairs	197	27,112 93	201	28,687 78	—	—	4	$1,574 85
Heavy Repairs	60	30,446 47	49	25,010 06	11	5,436 41	—	—
General Repairs	26	27,585 28	40	53,641 80	—	—	14	26,056 52
Rebuilding	15	26,787 49	12	22,278 47	3	4,509 02	—	—
Total	1,530	$172,598 56	1,520	$190,180 44	28	$10,049 49	18	$27,631 37
PASSENGER CARS.								
Running Repairs	588	$ 6,956 76	537	$ 7,854 76	51	—	—	$ 898 00
Light Repairs	166	9,462 71	138	13,630 78	28	—	—	4,168 07
Heavy Repairs	12	6,975 90	22	5,636 59	—	$1,339 31	10	—
General Repairs	5	7,542 13	5	6,118 40	—	1,423 73	—	—
Rebuilding	13	28,382 49	18	33,710 58	—	—	5	5,328 09
Total	784	$59,319 99	720	$66,951 11	79	$2,763 04	15	$10,394 16
FREIGHT CARS.								
Running Repairs	40,968	$89,480 24	42,051	$105,132 46	—	—	1,083	$15,652 22
Light Repairs	1,208	19,539 77	1,524	25,246 68	—	—	316	5,706 91
Heavy Repairs	882	35,349 10	767	29,621 49	115	$5,727 61	—	—
General Repairs	238	19,596 26	242	19,106 10	—	490 16	4	—
Rebuilding	84	10,684 32	97	13,652 13	—	—	13	2,967 81
Total	43,380	$174,649 69	44,681	$192,758 86	115	$6,217 77	1,416	$24,326 94
Entire Cost	—	$406,568 24	—	$449,890 41	—	—	—	$43,322 17

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CONDITION OF EQUIPMENT BY MONTHS DURING THE YEAR—ENTIRE SYSTEM.

MONTHS ENDED.	LOCOMOTIVES.		PASSENGER CARS.	
	Number Requiring Repairs.	Estimated Cost of Repairs Required.	Number Requiring Repairs.	Estimated Cost of Repairs Required.
July 1, 1893	44	$28,031 00	46	$17,485 00
July 31, 1893	22	31,800 00	42	15,410 00
August 31, 1893	38	32,500 00	41	14,960 00
September 30, 1893	36	28,400 00	40	13,110 00
October 31, 1893	42	27,785 00	33	12,900 00
November 30, 1893	49	29,750 00	32	11,850 00
December 31, 1893	43	28,025 00	47	12,470 00
January 31, 1894	45	31,625 00	45	10,150 00
February 28, 1894	39	24,000 00	56	9,775 00
March 31, 1894	38	20,950 00	52	9,700 00
April 30, 1894	37	22,775 00	50	8,230 00
May 31, 1894	39	33,825 00	49	6,775 00
June 30, 1894	47	36,140 00	49	4,900 00

MONTHS ENDED.	FREIGHT CARS.				
	Number Owned.	Bad Order.		In Service.	
		Number.	Per cent.	Number.	Per cent.
July 1, 1893	4,442	132	2.97	4,310	97.03
July 31, 1893	4,445	137	3.08	4,308	96.92
August 31, 1893	4,428	148	3.34	4,280	96.66
September 30, 1893	4,408	142	3.22	4,266	96.78
October 31, 1893	4,395	120	2.73	4,275	97.27
November 30, 1893	4,373	161	3.68	4,212	96.32
December 31, 1893	4,369	87	2.00	4,282	98.00
January 31, 1894	4,383	94	2.14	4,289	97.86
February 28, 1894	4,386	199	4.53	4,187	95.47
March 31, 1894	4,388	151	3.44	4,237	96.56
April 30, 1894	4,388	147	3.37	4,241	96.63
May 31, 1894	4,384	140	3.19	4,244	96.81
June 30, 1894	4,384	153	3.49	4,231	96.51

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PERFORMANCE AND COST OF OPERATING LOCOMOTIVES—ENTIRE SYSTEM.

ITEM.	Year ended June 30, 1894.	Year ended June 30, 1893.	Increase.	Decrease.
MILEAGE—				
Passenger	1,321,109	1,279,192	41,917	—
Freight	1,836,875	2,180,373	—	343,498
Switch	776,392	941,964	—	165,572
Work	102,153	230,091	—	127,938
Other service	67,862	92,125	—	24,263
Total	4,104,391	4,723,745	—	619,354
SUPPLIES USED—				
Tons of coal	149,331	172,265	—	22,934
Pints of lubricating oil	273,700	330,512	—	56,812
Pints of all oil	369,439	453,078	—	83,639
Pounds of waste	27,926	35,306	—	7,380
MILES RUN—				
Per ton of coal	27.49	27.42	.07	—
Per pint of lubricating oil	15.00	14.29	.71	—
Per pint of all oil	11.11	10.43	.68	—
Per pound of waste	147.00	133.80	13.20	—
COST OF OPERATING—				
Repairs	$172,597 56	$190,180 94	—	$17,583 38
Stores	12,168 47	14,699 57	—	2,531 10
Fuel	346,859 29	370,418 73	—	23,559 44
Engineers and firemen	255,056 98	303,260 31	—	48,203 33
Wiping and dispatching	47,545 47	60,363 26	—	12,817 79
Other motive power accounts	3,236 54	3,418 62	—	182 08
Total	$837,464 31	$942,341 43	—	$104,877 12
AVERAGE COST PER MILE—				
Repairs	$0 0425	$0 0403	$0 0022	—
Stores	0 0029	0 0031	—	$0 0002
Fuel	0 0845	0 0784	0 0061	—
Engineers and firemen	0 0621	0 0642	—	0 0021
Wiping and dispatching	0 0116	0 0128	—	0 0012
Other motive power accounts	0 0008	0 0007	0 0001	—
Total	$0 2044	$0 1995	$0 0049	—
Average number of engines in service monthly	113	119	—	6
Average monthly mileage per engine	3,440	3,308	132	—

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The new car shop buildings at Pine Bluff, Ark., were completed and work commenced in them during the month of March, 1894, the formal opening however was deferred until May 14th, 1894, at which time the citizens of Pine Bluff joined with the officials and employes of the Railway Company in a demonstration commensurate with the importance of the event, both to the Railway Company and to the City of Pine Bluff, bringing together the largest gathering of people ever witnessed in that section of the country.

During the year the following additional machinery has been purchased for the new shops: New hollow chisel mortiser and cut-off saw, new shafting, new engine and boiler, and new shaving separator.

The advantages derived from the additional shop room and machinery were made manifest in a very short time. With these increased shop facilities it is estimated that the repairs of all cars may be made at a decreased cost of at least fifteen per cent.

Owing to the general business depression but little headway has been made in the sale of light locomotive equipment—only one engine of this class having been sold during the year. The disposal of this light locomotive equipment for locomotives of a heavier class is something much to be desired on the ground of economy in the performance and operation of locomotives.

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FUEL SUPPLY.

COMPARATIVE STATEMENT OF COAL PURCHASED AND CONSUMED DURING YEARS ENDED JUNE 30, 1894–93.

ENTIRE SYSTEM.

ITEM.	Year ended June 30, 1894.	Year ended June 30, 1893.	Increase.	Decrease.
PURCHASED—				
No. of tons purchased	151,205	180,170	—	28,965
Total cost of coal purchased, excluding company freight . . .	$211,708 19	$280,406 95	—	$68,698 76
Amount of company freight included in cost of coal purchased	114,467 84	70,866 74	$43,601 10	—
Total cost of coal purchased, including company freight . . .	326,176 03	351,273 69	—	25,097 66
Average cost of coal per ton, excluding company freight . . .	$1 40	$1 56	—	$0 16
Average cost of coal per ton delivered on line, including company freight	$2 16	$1 95	$0 21	—
CONSUMED—				
No. of tons consumed	155,340	179,602	—	24,262
Total cost of coal consumed, including expense of handling .	$357,340 34	$374,452 30	—	$17,111 96
Average cost of coal per ton, including expense of handling .	$2 30	$2 08	$0 22	—

Notwithstanding the increase in average cost per ton of coal delivered on line, including company freight, as shown in the foregoing table, it will be seen that the average cost per ton, exclusive of company freight, shows a decrease of 16 cents per ton. The "company freight" referred to herein represents the amount which the St. Louis Southwestern Railway Company charges the lines in Texas for coal transported for use in Texas, and which the lines in Texas charge for coal transported for use of the St. Louis Southwestern Railway Company; thus keeping

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the freight earnings on company coal within the system, instead of paying out large amounts to foreign roads for transporting same from mines to point of delivery on this line. Attention is called to the fact that the increase in such freight earnings on company coal, as shown in the foregoing table, is $43,601.10.

At the commencement of the coal strike, which was inaugurated about May 1st, 1894, the company, fortunately, had a good supply of coal on hand, and, for that reason, purchased but a small quantity of coal at the high prices which prevailed during the strike, the amount of such expensive coal purchased being so small that it caused no appreciable advance in the average cost per ton during the year.

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ENGINEERING DEPARTMENT.

Owing to the limited force employed, no material additions have been made to the permanent records of the Engineering Department, which remain practically the same as at the commencement of the fiscal year, the general work having been confined almost entirely to maintenance.

RIGHT OF WAY.

The policy of amicably settling all just claims for right of way has been pursued throughout the year, and a number of claims have been settled at a reasonable cost.

IMPROVEMENT OF GRADE AND ALIGNMENT.

No important work involving a general improvement of grades or alignment has been undertaken during the year, although various local examinations have been made from time to time, and the data thus obtained filed for record until such time as the Company may be able to undertake the work.

COMMERCE, TEXAS, YARD.

The proposition made by the citizens of Commerce, Texas, to donate to the Railway Company about 45 acres of land for yard facilities, having been accepted by the Company, deeds conveying the title have all been obtained and recorded. This donation grants to the Company valuable property and will enable it to increase the facilities which are much needed at Commerce.

IMPORTANT ENGINEERING WORK PERFORMED.

The following important engineering work has been performed in addition to that mentioned elsewhere in this report in connection with improvements and maintenance in the Road and Bridges and Buildings departments.

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ST. LOUIS SOUTHWESTERN RAILWAY COMPANY.

SECTION.	CHARACTER OF WORK.
JONESBORO . . .	Jonesboro Yard improvements carried on in line with the approved design.
PINE BLUFF . . .	New car shops and yard improvements laid out, buildings completed and some tracks laid. Design for new combination freight and passenger depot at Pine Bluff completed. In Red River bottom all trestles have been riprapped, with the exception of three, and all excavation of old embankments from under extended trestles has been completed, with the exception of trestle No. 985; increasing the waterways to nearly the amount contemplated under the original improvement design. During the year the owners of some of the saw mills along the line of the road made known their desire to cross the line of this Railway with their tram roads, and a special form of interlocking signals was designed to protect such crossings, the mill owners desiring to cross being notified that before permission could be given they would be obliged to erect these signals at their own expense, and enter into a regular contract with the Railway Company. The owners of two mills located on this section availed themselves of this privilege, and erected the signals under the supervision of the Engineering Department. The operation of these signals has given entire satisfaction.
DELTA	This section has been rechained, mile boards and section limit signs put up, and defective mileage of spurs and side tracks corrected.
LITTLE ROCK . .	This section has been rechained, mile boards and section limit signs put up, and defective mileage of spurs and side tracks corrected. The increased trestle openings shown to be required by the floods of 1892 have been completed, and the old embankments excavated from under the extensions.
SHREVEPORT . .	This section also has been rechained, mile boards and section limit signs put up, and defective mileage of spurs and side tracks corrected.

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ST. LOUIS SOUTHWESTERN RAILWAY COMPANY OF TEXAS.

CHARACTER OF WORK.

With the exception of work and designs for new bridge spans on Tyler and Ft. Worth sections, mentioned elsewhere in this report, engineering work has been confined to maintenance.

During the fiscal year the Railway Commissioners of the State of Texas called upon the Company to provide a complete set of profiles of the entire line in Texas, for the use of the Commission, and to enable it to place a valuation upon the property. It was considered advisable to respond freely to this request, and careful and complete profiles were made from existing records, estimates of quantities placed upon them, and forwarded to the Commission, who have by letter expressed their appreciation of the information.

TYLER SOUTHEASTERN RAILWAY COMPANY.

CHARACTER OF WORK.

Examination made to estimate the cost of changing gauge to standard.

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TELEGRAPH DEPARTMENT.

ENTIRE SYSTEM.

The telegraph wires are operated jointly by the Western Union Telegraph Company and this Company.

DESCRIPTION.	Year ended June 30, 1894.	Year ended June 30, 1893.	Increase.	Decrease.
MILEAGE—				
Owned by this Company.				
Miles of Line	1,223.0	1,223.0	—	—
Miles of Wire (on poles owned by W. U. T. Co.)	956.0	956.0	—	—
Owned by Western Union Tel. Co.				
Miles of Line	1,223.0	1,223.0	—	—
Miles of Wire	2,808.0	2,804.6	3.4	—
			Decrease.	Per cent.
EXPENSES—				
Salaries of Telegraph operators .	$60,700 09	$72,551 94	$11,851 85	16.33
Supplies used by operators . . .	1,672 71	1,824 82	152 11	8.33
Repairs of Telegraph Line . . .	4,029 01	4,889 89	860 88	17.61
Totals	$66,401 81	$79.266 65	$12,864 84	16.23

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HOSPITAL SERVICE.

The employes' hospital has been efficiently maintained during the fiscal year ended June 30th, 1894, giving the same satisfactory results as in former years. Contributions from employes continue sufficient to cover all expenses, making the institution self-sustaining.

Emergency stations are maintained at St. Louis, Cairo, Jonesboro, Pine Bluff and Waco, as in previous years.

During the past year needed repairs to the general hospital buildings at Tyler were completed, including a thorough renovation and painting of the buildings.

Briefly summarized, the operations in this department during the fiscal year ended June 30th, 1894, are as follows:

Number of patients treated in general hospital	1,415
Number of patients receiving office treatment	5,192
Total number receiving treatment	6,607
Number of deaths	15

Of the number of deaths, one was the result of personal injury, and fourteen were due to various diseases. Based on the number of patients treated in general hospital, the death rate was 1.06 per cent.

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GENERAL REMARKS.

Reference is here made to the Appendix of this Report, in which will be found the following named statements, containing statistical data and other information of interest, to-wit: Summary of results of operation in detail for the years ended June 30th, 1894 and 1893; Gross Earnings by months for six years ended June 30th, 1894; Income (Profit and Loss) Account, and Condensed Balance Sheet, for each Company shown separately, for the fiscal year ended June 30th, 1894.

The Houston East and West Texas Railway (which connects with the line of the Tyler Southeastern Railway at Lufkin, Texas,) having during July, 1894, widened its gauge to the standard of four feet eight and one-half inches, it will probably become necessary to widen the gauge of the latter road. With this end in view, examinations have been made to enable a reasonable estimate to be made of the cost of such work; the trestles have already been entirely rebuilt suitable to the requirements of a standard gauge road, and are capable of carrying any of the rolling stock now used on the main line. The work to be done, therefore, would be the renewal of ties, widening of a few narrow embankments, spreading the rails and renewal of switches on the line. The estimate of the cost of this work is now being prepared by the Engineering Department.

Should it be deemed advisable by this Company in the future to build an independent line to Dallas, an admirable location can be had by departing from the Fort Worth Branch at M. P. 597-8, between Renner and Carrollton; the line would have good drainage and grades, and could be built to Pacific Avenue, Dallas, a distance of about 13.5 miles, at a cost, exclusive of right of way and terminal facilities in the city of Dallas, of about $14,000 per mile.

The physical condition of your property has not only been maintained, but many permanent improvements have been made. It is believed that your property has seen (so to speak) its worst

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day. It should be remembered that during the fiscal year ended June 30th, 1894, one of the most serious commercial panics in the history of the country occurred, accompanied by a general strike of coal miners, and later by the most unfortunate and uncalled-for railroad strike in the history of the United States, in which the sympathy of the public generally was with the railroads and against the American Railway Union. This was especially so in the South and Southwest. It is also susceptible of demonstration that in proportion to the population, much more loyalty to the General Government in its enforcement of the laws relating to property and the rights of citizens was manifested in the South than in the North.

The development of the country along the line of your road is making steady and healthful progress, as is evidenced by the fact that nearly seventy-five per cent. of its freight tonnage was of local origin. Immigration is steadily increasing in Missouri and Arkansas, and to a greater extent in Texas. Exceptionally fine crops of corn, wheat, oats and cotton have been made in Texas, and a good average crop in Missouri, Arkansas and Louisiana. It is believed that the country tributary to this Company's lines offers better opportunities for the farmer and manufacturer of timber, grain and cotton products than any other section of the United States. These opportunities will certainly be availed of in the near future.

ACKNOWLEDGMENTS.

The heads of the various departments have at all times rendered faithful and efficient service, and the loyalty of your employes generally is a matter of pride and satisfaction to the management.

Very respectfully,

S. W. FORDYCE,
President.

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APPENDIX.

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I.

SUMMARY OF RESULTS OF OPERATION.

COMPARATIVE STATEMENT FOR YEARS ENDED JUNE 30, 1894-93.

SHOWING ALLOTMENT OF GROSS EARNINGS AND OPERATING EXPENSES AS BETWEEN FREIGHT AND PASSENGER—ENTIRE SYSTEM.

ITEM.	Totals.		Allotted to Freight.		Allotted to Passenger.	
	1894.	1893.	1894.	1893.	1894.	1893.
GROSS EARNINGS—						
Freight	$3,498,158 58	$3,988,319 72	$3,498,158 58	$3,988,319 72	—	—
Passenger	883,408 68	879,526 52	—	—	$ 883,408 68	$ 879,526 52
Mail,	103,393 10	103,209 39	—	—	103,393 10	103,209 39
Express,	72,000 00	72,000 00	—	—	72,000 00	72,000 00
Telegraph	5,343 42	6,155 12	2,671 71	3,077 56	2,671 71	3,077 56
Miscellaneous	52,840 42	66,869 50	26,420 21	33,434 75	26,420 21	33,434 75
TOTALS	$4,615,144 20	$5,116,080 25	$3,527,250 50	$4,024,832 03	$1,087,893 70	$1,091,248 22
OPER'G EXPENSES*—						
Cond'g Transp'n	$1,320,526 21	$1,492,555 89	$ 921,171 75	$1,072,664 57	$ 399,354 46	$ 419,891 32
Motive Power	940,702 41	1,042,332 92	641,743 41	757,918 76	298,959 00	284,414 16
Maint. of Cars	331,602 29	346,662 71	246,637 50	257,722 32	84,964 79	88,940 39
Maint. of Way	1,035,035 00	1,140,856 43	612,347 26	728,700 49	422,687 74	412,155 94
General Expenses	245,912 23	259,424 92	219,781 50	234,540 50	26,130 73	24,884 42
TOTALS	$3,873,778 14	$4,281,832 87	$2,641,681 42	$3,051,546 64	$1,232,096 72	$1,230,286 23

* Including Betterments, excluding Taxes.

COMPARATIVE STATISTICS FOR YEARS ENDED JUNE 30, 1894-93.

NOTE.—The averages herein of Earnings and Expenses per Ton, per Passenger, per Train Mile and per Mile of Road, are computed on the basis of the allotment between Freight and Passenger as shown in the preceding Table.

ITEM.	Year ended June 30, 1894.	Year ended June 30, 1893.	Increase.	Per cent.	Decrease.	Per cent.
Miles Operated	1,223	1,223	—		—	
FREIGHT TRAFFIC—						
Number of Tons carried	1,328,377	1,506,696	—	—	178,319	11.84
Number of Tons carried one mile	282,162,773	329,183,200	—	—	47,020,427	14.28
Average Distance haul of one Ton (miles)	212.41	218.48	—	—	6.07	2.78
Freight Train mileage, including three-fourths of Mixed Train mileage	1,836,875	2,180,373	—	—	343,498	15.75
Average Earnings per Ton	$2.6553	$2.6713	—	—	$0.0160	.60
Average Earnings per Ton per mile	$0.0125	$0.0122	$0.0003	2.46	—	—
Average Earnings per Freight Train mile	$1.9202	$1.8459	$0.0743	4.03	—	—
Average Freight Earnings per mile of road	$2,884.10	$3,290.95	—	—	$406.85	12.36

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SUMMARY OF RESULTS OF OPERATION—*Continued.*

ITEM.	Year ended June 30, 1894.	Year ended June 30, 1893.	Increase.	Per cent.	Decrease.	Per cent.
PASSENGER TRAFFIC—						
Number of Passengers carried	810,801	842,493	—	—	31,692	3.76
Number of Passengers carried one mile	37,040,490	35,019,502	2,020,988	5.77	—	—
Average distance one Passenger carried (miles)	45.68	41.57	4.11	9.89	—	—
Passenger Train mileage, including one-fourth of Mixed Train mileage	1,320,909	1,279,192	41,717	3.26	—	—
Average Earnings per Passenger	$1.3418	$1.2952	$0.0466	3.60	—	—
Average Earnings per Passenger per mile	$0.0294	$0.0312	—	—	$0.0018	5.77
Average Earnings per Passenger Train mile	$0.8236	$0.8531	—	—	$0.0295	3.46
Average Passenger Earnings per mile of road	$889.53	$892.27	—	—	$2.74	.31
TOTAL EARNINGS—						
Average Total Earnings per mile of road	$3,773.63	$4,183.22	—	—	$409.59	9.79
Average Total Earnings per Freight and Passenger Train mile	$1.4615	$1.4788	—	—	$0.0173	1.17
OPERATING EXPENSES (including Betterments, excluding Taxes)—						
Percentage of Freight Expenses to Freight Earnings	.7489	.7582	—	—	.0093	1.23
Percentage of Passenger Expenses to Passenger Earnings	1.1326	1.1274	.0052	.46	—	—
Percentage of Operating Expenses to Gross Earnings	.8394	.8369	.0025	.30	—	—
Average Expense per Ton	$1.9887	$2.0253	—	—	$0.0366	1.81
Average Expense per Ton per mile	$0.0094	$0.0093	$0.0001	1.08	—	—
Average Expense per Passenger	$1.5196	$1.4603	$0.0593	4.06	—	—
Average Expense per Passenger per mile	$0.0333	$0.0351	—	—	$0.0018	5.13
Average Expense per Freight Train mile	$1.4381	$1.3996	$0.0385	2.75	—	—
Average Expense per Passenger Train mile	$0.9328	$0.9618	—	—	$0.0290	3.02
Average Expense per Freight and Passenger Train mile	$1.2267	$1.2377	—	—	$0.0110	.89
Average Expense per mile of road	$3,167.44	$3,501.09	—	—	$333.65	9.53
TOTAL NET EARNINGS—						
Total Net Earnings	$741,366.06	$834,247.38	—	—	$92,881.32	11.13
Total Net Earnings per mile of road	$606.19	$682.13	—	—	$75.94	11.13

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II.

GROSS EARNINGS BY MONTHS—ENTIRE SYSTEM.

FOR SIX YEARS ENDED JUNE 30TH, 1894.

Month.	Year ended June 30, 1889. 1888-1889.	Year ended June 30, 1890. 1889-1890.	Year ended June 30, 1891. 1890-1891.	Year ended June 30, 1892. 1891-1892.	Year ended June 30, 1893. 1892-1893.	Year ended June 30, 1894. 1893-1894.
July	$227,185 56	$271,562 08	$307,440 81	$322,515 90	$354,601 61	$320,026 35
August	281,109 03	336,852 61	365,788 36	349,459 69	400,501 81	314,563 31
September	296,288 22	388,583 27	386,638 83	447,131 11	422,729 36	370,213 03
October	383,716 55	526,305 37	490,967 31	577,267 39	499,771 72	551,772 52
November	335,867 73	470,882 71	423,059 08	505,755 47	483,181 59	560,788 30
December	364,939 84	502,859 68	466,675 64	480,582 10	532,079 71	528,278 31
January	274,639 75	375,619 94	350,257 77	351,874 29	435,902 80	365,846 06
February	256,538 27	305,244 13	347,040 49	371,799 21	421,309 29	338,179 52
March	248,017 76	270,911 48	336,418 32	331,973 06	444,082 75	364,510 78
April	225,467 82	259,872 69	287,949 84	302,678 41	411,625 08	325,194 01
May	241,164 77	290,927 39	285,374 21	303,382 48	368,900 01	295,704 99
June	242,902 73	262,292 02	276,044 84	292,042 73	341,394 52	280,067 02
Total	$3,377,838 03	$4,261,913 37	$4,323,655 50	$4,636,461 84	$5,116,080 25	$4,615,144 20

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Income and Financial Exhibits

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III.

ST. LOUIS SOUTHWESTERN R'Y CO. — INCOME (PROFIT AND LOSS) ACCOUNT. — JUNE 30TH, 1894.

To OPERATING EXPENSES, year ended June 30th, 1894—			By EARNINGS, year ended June 30th, 1894—		
Conducting Transportation	$787,542 76		Freight	$2,234,832 09	
Motive Power	458,743 94		Passenger	455,225 58	
Maintenance of Cars	202,359 03		Mail	57,787 20	
Maintenance of Way	542,790 58		Express	44,949 60	
General Expenses	144,151 72	$2,135,588 03	Telegraph	2,555 40	
			Miscellaneous	35,683 28	$2,831,033 15
Net Earnings from Operation	—	**695,445 12**			
		$2,831,033 15			$2,831,033 15
To Accrued Interest on First Mortgage Bonds (4 per cent)	—	$ 800,000 00	By Net Earnings, year ended June 30th, 1894, brought down	—	$ 695,445 12
Taxes Accrued	—	63,572 78	Interest on Bonds Owned—		
Sundry Amounts	—	31,571 70	St. Louis Southwestern R'y Co. of Texas, First Mortgage . . $9,445,000.00 @ 4%	$ 377,800 00	
Surplus Income for year ended June 30th, 1894	—	**221,053 27**	Tyler Southeastern R'y Co., First Mortgage . . . $660,000.00 @ 4%	26,400 00	
			Paragould Southeastern R'y Co., First M't'ge (6 mos.) . $25,000.00 @ 6%	750 00	404,950 00
			Sundry Amounts	—	15,802 63
		$1,116,197 75			$1,116,197 75
To Balance to credit of Income Account, June 30th, 1894	—	**$1,162,677 12**	By Surplus Income for year ended June 30th, 1894, brought down	—	$ 221,053 27
			Balance to credit of Income Account, July 1st, 1893	—	941,623 85
TOTAL		$1,162,677 12	TOTAL		$1,162,677 12

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IV.

ST. LOUIS SOUTHWESTERN R'Y CO. — CONDENSED BALANCE SHEET. — JUNE 30TH, 1894.

To Cost of Road and Equipment	—	$46,995,441 50	By Capital Stock—		
Construction Accounts	—	21,530 95	Preferred	$20,000,000 00	
Real Estate	—	27,327 95	Common	16,500,000 00	$36,500,000 00
Investments in Stocks and Bonds—					
Capital Stock St. L. S. W. R'y. Co. of Texas	$2,500,000 00		Bonds—		
Capital Stock Tyler Southeastern R'y Co.	250,000 00		First Mortgage (4%)	$20,000,000 00	
First Mortgage Bond St. L. S. W. R'y Co. of Texas	9,445,000 00		Second Mortgage Income (4%)	8,000,000 00	28,000,000 00
Second Mortgage Income Bond St. L. S. W. R'y Co. of Texas	4,722,500 00		Equipment Trust Obligations	—	304,819 34
First Mortgage Bond Tyler Southeastern R'y Co.	660,000 00		Sundry Accounts Payable	—	815,097 57
Second Mortgage Income Bond Tyler Southeastern R'y Co.	330,000 00		Interest on Bonds—due and accrued	—	179,413 33
Paragould Southeastern R'y Co.: Capital Stock, $25,000.00 / First Mortgage Bonds 25,000.00 } Cost to Co.	25,000 00		Miscellaneous Accounts	—	28,914 69
First Mortgage Bonds Gulf and Ship Island R'y, par value $15,000.00, purchased for	1,500 00		*Balance to credit of Income (Profit and Loss) Account, June 30th, 1894, as per detailed exhibit on preceding page*	—	**1,162,677 12**
First Mortgage Bonds St. L. S. W. R'y Co. in Treasury (par value)	500,000 00	18,434,000 00			
Advances to Sundry Agents—to be accounted for	—	18,741 91			
Cash	—	82,933 27			
Sundry Accounts Collectible	—	120,160 34			
Supplies on hand	—	148,056 44			
St. Louis Southwestern R'y Co. of Texas, General Account	—	1,070,402 38			
Tyler Southeastern R'y Co., General Account	—	72,327 31			
		$66,990,922 05			$66,990,922 05

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V.

ST. LOUIS SOUTHWESTERN R'Y CO. OF TEXAS. **INCOME (PROFIT AND LOSS) ACCOUNT.** JUNE 30TH, 1894.

To OPERATING EXPENSES, year ended June 30th, 1894—			By EARNINGS year ended June 30th, 1894—		
Conducting Transportation	$495,481 26		Freight	$1,195,241 93	
Motive Power	451,295 29		Passenger	396,381 81	
Maintenance of Cars	118,291 74		Mail	40,137 78	
Maintenance of Way	469,525 48		Express	23,644 80	
General Expenses	94,948 11	$1,629,541 88	Telegraph	2,518 08	
			Miscellaneous	16,323 90	$1,674,248 30
Net Earnings from Operation	—	**44,706 42**			
		$1,674,248 30			$1,674,248 30
To Accrued Interest on First Mortgage Bond (4%)	—	$377,800 00	By Net Earnings year ended June 30th, 1894, brought down	—	$ 44,706 42
Taxes Accrued	—	45,496 88	Sundry Amounts	—	13,611 75
Sundry Amounts	—	24,025 75	*Deficit for year ended June 30th, 1894*	—	**389,004 46**
		$447,322 63			$447,322 63
To Deficit for year ended June 30th, 1894, brought down	$389,004 46		*By Balance to debit of Income Account, June 30th, 1894*	—	**$1,063,362 65**
Balance to debit of Income Account July 1st, 1893	674,358 19	$1,063,362 65			
TOTAL		$1,063,362 65	TOTAL		$1,063,362 65

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VI.

ST. LOUIS SOUTHWESTERN R'Y CO. OF TEXAS. **CONDENSED BALANCE SHEET.** JUNE 30TH, 1894.

To Cost of Road and Equipment	—	$17,094,743 88	By Capital Stock (Common)	—	$ 2,500,000 00
Cash	—	39,388 56	Bonds—		
Sundry Accounts Collectible	—	31,828 20	First Mortgage (4%)	$ 9,445,000 00	
Supplies on hand	—	73,799 22	Second Mortgage Income (4%) .	4,722,500 00	14,167,500 00
Tyler Southeastern R'y Co., Gen'l Acc't		30,759 06	Equipment Trust Obligations . . .	—	304,819 34
Miscellaneous Accounts	—	5,231 94	Sundry Accounts Payable	—	296,391 79
Balance to debit of Income (Profit and Loss) Account, June 30th, 1894, as per detailed Exhibit on preceding page	—	1,063,862 65	St. Louis Southwestern R'y Co., General Account	—	1,070,402 38
		$18,339,113 51			$18,339,113 51

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VII.

TYLER SOUTHEASTERN R'Y CO. — INCOME (PROFIT AND LOSS) ACCOUNT. — JUNE 30TH, 1894.

To OPERATING EXPENSES, year ended June 30th, 1894—			By EARNINGS, year ended June 30th, 1894—		
Conducting Transportation	$ 37,502 19		Freight	$ 68,084 56	
Motive Power	30,663 18		Passenger	31,801 29	
Maintenance of Cars	10,951 52		Mail	5,468 12	
Maintenance of Way	22,718 94		Express	3,405 60	
General Expenses	6,812 40	$ 108,648 23	Telegraph	269 94	
Net Earnings from Operation	—	**1,214 52**	Miscellaneous	833 24	$ 109,862 75
		$ 109,862 75			$ 109,862 75
To Accrued Interest on First Mortgage Bond (4%)	—	$ 26,400 00	By Net Earnings, year ended June 30th, 1894, brought down	—	$ 1,214 52
Taxes Accrued	—	4,755 79	Sundry Amounts	—	866 23
Sundry Amounts	—	742 23	*Deficit for year ended June 30th, 1894*	—	**29,817 27**
		$ 31,898 02			$ 31,898 02
To Deficit for year ended June 30th, 1894, brought down	$ 29,817 27		*By Balance to debit of Income Account, June 30th, 1894*	—	**$101,263 46**
Balance to debit of Income Account, July, 1st, 1893	71,446 19	$ 101,263 46			
		$ 101,263 46			$ 101,263 46

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VIII.

TYLER SOUTHEASTERN R'Y CO. — CONDENSED BALANCE SHEET. — JUNE 30TH, 1894.

To Cost of Road and Equipment	—	$1,245,690 12	By Capital Stock (Common)	—	$250,000 00
Miscellaneous Accounts	—	147 79	Bonds—		
Balance to debit of Income (Profit and Loss) Account, June 30th, 1894, as per detailed Exhibit on preceding page	—	**101,263 46**	First Mortgage (4%)	$660,000 00	—
			Second Mortgage Income (4%) . .	330,000 00	990,000 00
			St. Louis Southwestern R'y Co., General Account	—	72,327 31
			St. Louis Southwestern R'y Co. of Texas, General Account	—	30,759 06
			Donated Town Lot Sales	—	4,015 00
		$1,347,101 37			$1,347,101 37

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1895.

FOURTH ANNUAL REPORT.

"COTTON BELT ROUTE"

ST. LOUIS SOUTHWESTERN RAILWAY COMPANY,

INCLUDING THE

ST. LOUIS SOUTHWESTERN RAILWAY CO. OF TEXAS

AND

TYLER SOUTHEASTERN RAILWAY CO.

FISCAL YEAR ENDED

JUNE 30, 1895.

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"COTTON BELT ROUTE"

ST. LOUIS SOUTHWESTERN RAILWAY COMPANY,

INCLUDING THE

ST. LOUIS SOUTHWESTERN RAILWAY CO. OF TEXAS

AND

TYLER SOUTHEASTERN RAILWAY CO.

FOURTH ANNUAL REPORT

TO THE

DIRECTORS AND STOCKHOLDERS,

FOR THE FISCAL YEAR ENDED

JUNE 30, 1895.

ST. LOUIS:
WOODWARD & TIERNAN PRINTING COMPANY, 309-319 NORTH THIRD STREET,
1895.

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DIRECTORS.

ST. LOUIS SOUTHWESTERN RAILWAY COMPANY.

ELECTED OCTOBER, 1894.

S. W. FORDYCE	ST. LOUIS, MO.
EDWIN GOULD	DOBBS FERRY, N. Y.
W. B. DODDRIDGE	ST. LOUIS, MO.
M. GERNSHEIM	NEW YORK, N. Y.
R. M. GALLOWAY	NEW YORK, N. Y.
THOS. T. ECKERT	NEW YORK, N. Y.
ROBERT MOORE	ST. LOUIS, MO.
A. L. WOLFF	ST. LOUIS, MO.
WINSLOW S. PIERCE	NEW YORK, N. Y.

Annual Meeting of Stockholders for election of Directors is held in the city of St. Louis, Mo., on the first Tuesday in October.

ST. LOUIS SOUTHWESTERN RAILWAY COMPANY OF TEXAS.

ELECTED APRIL, 1895.

S. W. FORDYCE	St. Louis, Mo.
W. W. SELEY	Waco, Tex.
TOM RANDOLPH	Sherman, Tex.
J. A. EDSON	Tyler, Tex.
EDWIN GOULD	Dobbs Ferry, N. Y.
WINSLOW S. PIERCE	New York, N. Y.
W. B. DODDRIDGE	St. Louis, Mo.
JAMES GARITTY	Corsicana, Tex.
W. C. CONNOR	Dallas, Tex.

Annual Meeting of Stockholders for election of Directors is held in the city of Tyler, Texas, on the Monday preceding the first Wednesday in May.

TYLER SOUTHEASTERN RAILWAY COMPANY.

ELECTED APRIL, 1895.

H. H. ROWLAND	Tyler, Tex.
HOWARD GOULD	Irvington, N. Y.
GUY PHILLIPS	New York, N. Y.
W. S. MALLETT	New York, N. Y.
T. F. MURCHISON	Athens, Tex.
J. P. DOUGLAS	Tyler, Tex.
J. A. EDSON	Tyler, Tex.

Annual Meeting of Stockholders for election of Directors is held in the city of Tyler, Texas, on the Monday preceding the first Wednesday in May.

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GENERAL OFFICERS.

ST. LOUIS SOUTHWESTERN RAILWAY COMPANY.

S. W. FORDYCE	*President*	ST. LOUIS, MO.
EDWIN GOULD	*Vice-President*	DOBBS FERRY, N. Y.
WINSLOW S. PIERCE	*General Counsel*	NEW YORK, N. Y.
J. A. EDSON	*General Superintendent*	TYLER, TEX.
S. C. JOHNSON	*General Auditor*	ST. LOUIS, MO.
J. C. OTTESON	*Secretary*	NEW YORK, N. Y.
G. K. WARNER	*Ass't Secretary and Treasurer*	ST. LOUIS, MO.
A. S. DODGE	*General Traffic Manager*	ST. LOUIS, MO.
R. S. DAVIS	*Assistant General Freight Agent*	ST. LOUIS, MO.
E. W. LABEAUME	*General Passenger and Ticket Agt*	ST. LOUIS, MO.
H. G. KELLEY	*Resident Engineer*	TEXARKANA, TEX.
R. M. GALBRAITH	*General Master Mechanic*	PINE BLUFF, ARK.

ST. LOUIS SOUTHWESTERN RAILWAY COMPANY OF TEXAS.

S. W. FORDYCE	*President*	St. Louis, Mo.
EDWIN GOULD	*First Vice-President*	Dobbs Ferry, N. Y.
J. A. EDSON	*Second Vice-Pres't and Gen'l Sup't*	Tyler, Tex.
R. D. COBB	*Secretary and Auditor*	Tyler, Tex.
J. C. OTTESON	*Assistant Secretary*	New York, N. Y.
J. W. HOGAN	*Treasurer*	Tyler, Tex.
G. W. BARNHART	*General Freight Agent*	Tyler, Tex.
S. G. WARNER	*General Passenger Agent*	Tyler, Tex.
H. G. KELLEY	*Resident Engineer*	Texarkana, Tex.
THOS. INGLIS	*Master Mechanic*	Tyler, Tex.

TYLER SOUTHEASTERN RAILWAY COMPANY.

H. H. ROWLAND	*President*	Tyler, Tex.
HOWARD GOULD	*Vice-President*	Irvington, N. Y.
J. A. EDSON	*General Superintendent*	Tyler, Tex.
R. D. COBB	*Auditor*	Tyler, Tex.
J. P. DOUGLAS	*Secretary*	Tyler, Tex.
GUY PHILLIPS	*Assistant Secretary*	New York, N. Y.
J. W. HOGAN	*Treasurer*	Tyler, Tex.
G. W. BARNHART	*General Freight Agent*	Tyler, Tex.
S. G. WARNER	*General Passenger Agent*	Tyler, Tex.
H. G. KELLEY	*Resident Engineer*	Texarkana, Tex.
THOS. INGLIS	*Master Mechanic*	Tyler, Tex.

TRANSFER OFFICE: No. 195 Broadway, New York, N. Y.

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"COTTON BELT ROUTE"

St. Louis Southwestern Railway Co.

OFFICE OF THE PRESIDENT.

ST. LOUIS, MO., Sept. 2, 1895.

To the Board of Directors and Stockholders of the St. Louis Southwestern Railway Company:

The Fourth Annual Report of this Company since its organization, showing the operations and the financial and physical condition of the property owned and controlled, for the fiscal year ended June 30th, 1895, is herewith respectfully submitted.

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MILEAGE OPERATED.

The mileage of the Company, on which all computations pertaining to earnings, expenses and traffic statistics are based, is shown in the following table:

MILEAGE OWNED AND CONTROLLED—ENTIRE SYSTEM.

	Main Track.	Side Track.	Total.
ST. LOUIS SOUTHWESTERN RAILWAY COMPANY—			
Main Line	418.0	100.3	518.3
New Madrid Branch	5.7	.2	5.9
Delta Branch	51.4	8.2	59.6
Little Rock Branch	41.7	4.2	45.9
Magnolia Branch	6.4	.4	6.8
Shreveport Branch	59.5	7.4	66.9
Total	582.7	120.7	703.4
ST. LOUIS SOUTHWESTERN RAILWAY COMPANY OF TEXAS—			
Main Line	304.6	45.7	350.3
Sherman Branch	109.9	14.2	124.1
Ft. Worth Branch	97.2	13.8	111.0
Hillsboro Branch	40.0	4.2	44.2
Total	551.7	77.9	629.6
TYLER SOUTHEASTERN RAILWAY COMPANY—			
Main Line	88.6	8.2	96.8
ENTIRE SYSTEM—Total Mileage	1,223.0	206.8	1,429.8

The main track mileage remains the same as at the close of the previous fiscal year. During the fiscal year ended June 30th, 1895, there have been laid 7.78 miles of new side and passing tracks for railroad purposes, and 1.17 miles of new private and spur tracks for saw mills and other local industries, making a total of 8.95 miles of new side track. There have been taken up 6.95 miles of old side track, making a net increase of 2 miles in side track during the fiscal year ended June 30th, 1895.

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FINANCIAL EXHIBITS.

Comparative Financial Results from Operation—Entire System.

The following statement shows gross earnings, receipts from all other sources, operating expenses, fixed and all other charges against income, for the fiscal year ended June 30th, 1895, compared with the previous fiscal year:

Entire System.	Year ended June 30, 1895.	Year ended June 30, 1894	Increase.	Decrease.
Gross Earnings	$5,217,174 57	$4,615,144 20	$602,030 37	—
Operating Expenses (including Betterments)	3,977,221 09	3,873,778 14	103,442 95	—
Net Earnings	$1,239,953 48	$ 741,366 06	$498,587 42	—
All Other Receipts	24,319 19	31,030 61	—	$ 6,711 42
Total Income over Operating Expenses	$1,264,272 67	$ 772,396 67	$491,876 00	—
Fixed and Other Payments charged against Income:				
Accrued Interest on First Mortgage Bonds (4 per cent.)	$ 800,000 00	$ 800,000 00	—	—
Taxes Accrued	117,729 01	113,825 45	$ 3,903 56	—
Interest and Exchange	22,536 18	23,852 69	—	$ 1,316 51
All Other Payments	17,818 00	32,486 99	—	14,668 99
Total Charges against Income	$ 958,083 19	$ 970,165 13	—	$ 12 081 94
Deficit carried to debit of Profit and Loss Account	—	$ 197,768 46	—	—
Surplus Income carried to credit of Profit and Loss Account	$ 306,189 48	—	$503,957 94	—

During the fiscal year ended June 30th, 1895, this System, in common with nearly all railroads of the country, has had to contend with certain unfavorable conditions too well known for more than passing mention in this report, but which have adversely affected the general results of operation for the year. The strike of railway employes, inaugurated by members of the American Railway Union, was general throughout the country, commencing about the first of July, 1894, and continuing during the greater portion of that month; and, notwithstanding the fact, that the employes of this company were, as a rule, faithful and loyal to its interests, the prevalence of the strike on connecting lines had its adverse effects by causing a general stoppage of through traffic and a consequent decrease in local traffic. The great financial and industrial depression, now, it is hoped,

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happily becoming a matter of history, continued without perceptible abatement throughout many sections of the country during the early portion of the fiscal year ended June 30th, 1895; to which must be added the rate war to Southwestern Territory points, existing during the entire month of June, 1895, but now terminated and satisfactorily adjusted. Notwithstanding these adverse conditions, it is especially gratifying, and a matter of congratulation, that the gross and net results for the fiscal year ended June 30th, 1895, have largely exceeded those of any previous fiscal year in the history of the property.

As compared with the fiscal year ended June 30th, 1894, the increase in gross earnings is $602,030.37 or 13.04 per cent., and with a comparatively small increase in operating expenses of $103,442.95 or 2.67 per cent., the net earnings show an increase of $498,587.42 or 67.25 per cent.

After providing for interest and all other charges against income for the fiscal year ended June 30th, 1895, there was a surplus of $306,189.48, which was carried to the credit of Profit and Loss account; while for the fiscal year ended June 30th, 1894, there was a deficit of $197,768.46, the fiscal year just ended showing an increase of $503,957.94. Of the surplus income for the fiscal year ended June 30th, 1895, amounting to $306,189.48, there has been applied toward the reduction of Equipment Trust Obligations, $139,139.06; for net additions to Rolling Stock, $45,353.43, and the balance has been utilized mainly in reducing the Floating Debt, as shown June 30th, 1894, a large portion of which was caused by the deficit of $197,768.46 for the fiscal year ended June 30th, 1894. For full information showing all resources, and how the same have been appropriated, for the fiscal year ended June 30th, 1895, reference is here made to the Summary of Financial Transactions on page 29.

In view of the fact that the results for the fiscal year ended June 30th, 1893, were, up to the fiscal year ended June 30th, 1895, the best of any previous fiscal year in the history of the

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road, a comparison of the results of operation for these two years will be found interesting. The gross earnings for the fiscal year ended June 30th, 1895, show an increase of $101,094.32 or 1.98 per cent., operating expenses a decrease of $304,611.78 or 7.11 per cent., making an increase in net earnings of $405,706.10 or 48.63 per cent.

A better or more practical illustration of the benefits derived from the judicious policy pursued in fully maintaining and gradually improving the physical condition of the property, cannot be had than that furnished by a comparison of the results of operation from year to year as shown by tables on pages 78, 79 and 80 in the Appendix to this report, giving an epitome of Gross Earnings, Operating Expenses, Net Earnings and Betterments, by months, for the past seven years. There has been expended for betterments, and charged to operating expenses, during the fiscal year ended June 30th, 1895, the sum of $197,086.33, an increase over the amount of expenditures of a similar nature during the year ended June 30th, 1894, of $83,538.52, and during the year ended June 30th, 1893, of $14,421.27. An itemized statement of the amounts expended for betterments during the fiscal year ended June 30th, 1895, will be found in Exhibit A, on page 15, and a careful perusal of that statement is invited, showing, as it does, the character of such improvements and their necessity from the standpoint of safe and economical operation.

In the summaries and exhibits immediately following will be found a complete analysis of the Income Account for the current fiscal year, Profit and Loss Account and the Condensed Balance Sheet, and the changes that have taken place in the various accounts composing the Income Account, Profit and Loss Account and Condensed Balance Sheet, since the preceding fiscal year; showing, also, the Company's financial condition at the close of the fiscal year ended June 30th, 1895, as compared with the fiscal year ended June 30th, 1894.

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INCOME ACCOUNT—ENTIRE SYSTEM.

YEAR ENDED JUNE 30TH, 1895.

TO EXPENSES (See Exhibit A)—			BY EARNINGS (See Exhibit A)—		
Conducting Transportation	$1,442,068 10		Freight	$4,072,163 50	
Motive Power	973,396 40		Passenger	889,304 61	
Maintenance of Cars	293,440 52		Mail	119,327 98	
Maintenance of Way	1,078,975 11		Express	72,000 00	
General Expenses	189,340 96	$3,977,221 09	Telegraph	7,128 09	
Net Earnings	—	1,239,953 48	Miscellaneous	57,250 39	$5,217,174 57
		$5,217,174 57			$5,217,174 57
To Accrued Interest on Bonds (See Exhibit B)	—	$ 800,000 00			
Taxes Accrued " " C	—	117,729 01	By Net Earnings brought down	—	$1,239,953 48
Interest and Exchange " " D	—	22,536 18	Interest on Bonds Owned (See Exhibit F)	—	2,250 00
All Other Payments " " E	—	17,818 00	All Other Receipts (See Exhibit G)	—	22,069 19
Total Debits	—	$ 958,083 19			
Surplus Income for Fiscal Year ended June 30th, 1895, carried to credit of Profit and Loss Account	—	306,189 48			
		$1,264,272 67	Total Credits	—	$1,264,272 67

PROFIT AND LOSS ACCOUNT—ENTIRE SYSTEM—JUNE 30TH, 1895.

To Balance to Debit of Profit and Loss Account at the beginning of Current Fiscal Year, July 1st, 1894	$ 1,948 99	By Surplus Income from operation for Fiscal Year ended June 30th, 1895, brought down	$ 306,189 48
Discount on First Mortgage Certificates and fractional scrip sold (face value, $176,302.30)	55,858 02	Surplus Securities received from the Reorganization Committee—face value	282,917 50
Balance to credit of Profit and Loss Account, June 30th, 1895	531,298 97		
	$ 589,106 98		$ 589,106 98

NOTE.—See Appendix for Income Account and Profit and Loss Account of each Company separately.

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CONDENSED BALANCE SHEET—ENTIRE SYSTEM.

JUNE 30TH, 1895.

ASSETS.			LIABILITIES.		
To Cost of Road and Equipment (See Exhibit H)	—	$65,422,369 05	By Capital Stock (See Exhibit N)—		
			Preferred	$20,000,000 00	
Construction Accounts . . . " " I	—	21,530 95	Common	16,500,000 00	$36,500,000 00
Real Estate . . . . . " " J	—	27,327 95	Bonds (See Exhibit O)—		
			First Mortgage (4 per cent.)	$20,000,000 00	
Advances to Sundry Agents (to be accounted for) . . " " K	—	16,085 66	Second Mortgage Income (4 per cent.) . .	8,000,000 00	28,000,000 00
			Equipment Trust Obligations (See Exhibit P)	—	470,499 62
Investments in Stocks and Bonds . . . . . " " L	—	633,115 20	Current Liabilities, viz. (See Exhibit M)—		
			Sundry Accounts Payable	$894,889 63	
Current Assets, viz. . . . . " " M			Interest on Bonds—Due and Accrued . .	173,793 33	1,068,682 96
Cash	$156,209 21				
Sundry Accounts Collectible	124,932 32		Miscellaneous Accounts (See Exhibit Q)— .	—	82,500 36
Supplies on hand	251,412 57	532,554 10			
			Balance to credit of Profit and Loss Account, June 30th, 1895, as per detailed exhibit on preceding page	—	531,299 97
		$66,652,982 91			$66,652,982 91

NOTE.—See Appendix for Condensed Balance Sheet of each Company separately.

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EXHIBIT A.

Comparative Statement of Earnings, Expenses, Net Earnings and Taxes.

Entire System.	Year ended June 30, 1895.	Year ended June 30, 1894.	Increase.	Decrease.
Earnings—				
Freight	$4,072,163 50	$3,498,158 58	$574,004 92	—
Passenger—Local	581,115 35	558,858 62	22,256 73	—
Passenger—Foreign	308,189 26	324,550 06	—	$ 16,360 80
Mail	119,327 98	103,393 10	15,934 88	—
Express	72,000 00	72,000 00	—	—
Telegraph	7,128 09	5,343 42	1,784 67	—
Miscellaneous	57,250 39	52,840 42	4,409 97	—
Total	$5,217,174 57	$4,615,144 20	$602,030 37	—
Earnings per Mile of Road	$ 4,265 88	$ 3,773 63	$ 492 25	—
Expenses (Including Betterments)				
Conducting Transportation	$1,442,068 10	$1,320,526 21	$121,541 89	—
Motive Power	973,396 40	940,702 41	32,693 99	—
Maintenance of Cars	293,440 52	331,602 29	—	$ 38,161 77
Maintenance of Way	1,078,975 11	1,035,035 00	43,940 11	—
General Expenses	189,340 96	245,912 23	—	56,571 27
Total	$3,977,221 09	$3,873,778 14	$103,442 95	—
Expenses per Mile of Road	$ 3,252 02	$ 3,167 44	$ 84 58	—
Per cent. of Expenses to Earnings	76.23	83.94	—	7.71
Net Earnings	$1,239,953 48	$ 741,366 06	$498,587 42	—
Per Mile of Road	$ 1,013 86	$ 606 19	$ 407 67	—
Per cent. of Total Earnings	23.77	16.06	7.71	—
Expenses and Taxes—				
Expenses	$3,977,221 09	$3,873,778 14	$103,442 95	—
Taxes Accrued	117,729 01	113,825 45	3,903 56	—
Total	$4,094,950 10	$3,987,603 59	$107,346 51	—
Per Mile of Road	$ 3,348 28	$ 3,260 51	$ 87 77	—
Per cent. of Total Earnings	78.49	86.40	—	7.91
Surplus after paying Taxes	$1,122,224 47	$ 627,540 61	$494,683 86	—
Per Mile of Road	$ 917 60	$ 513 12	$ 404 48	—

The percentages of increase and decrease in earnings, expenses and taxes, according to the general classified headings as shown in the foregoing comparative statement, are as follows:

Freight Earnings	Increase	16.41 per cent.
Passenger Earnings, local	"	3.98 "
Passenger Earnings, foreign	Decrease	5.04 "
Passenger Earnings, total	Increase	0.67 "

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Mail Earnings	Increase	15.41	per cent.
Telegraph Earnings	"	33.40	"
Miscellaneous Earnings	"	8.35	"
Total Earnings	"	13.04	"
Conducting Transportation	"	9.20	"
Motive Power	"	3.48	"
Maintenance of Cars	Decrease	11.51	"
Maintenance of Way	Increase	4.25	"
General Expenses	Decrease	23.00	"
Total Expenses (including Betterments)	Increase	2.67	"
Net Earnings	"	67.25	"
Expenses and Taxes	"	2.69	"
Surplus after paying Taxes	"	78.83	"

BETTERMENTS,

INCLUDED IN THE FOREGOING STATEMENT OF OPERATING EXPENSES.

ENTIRE SYSTEM.	Year ended June 30, 1895.	Year ended June 30, 1894.	Increase.
Conducting Transportation	$17,878 75	$ 3,087 61	$14,791 14
Motive Power	32,650 62	2,623 47	30,027 15
Maintenance of Cars	21,103 23	15,316 30	5,786 93
Maintenance of Way	125,453 73	92,520 43	32,933 30
Total	$197,086 33	$113,547 81	$83,538 52

The several items composing the expenditure for Betterments during the year ended June 30th, 1895, are as follows:

New Station Houses—		
Depot building, Stuttgart, Ark.	$1,038 36	
Depot building, Pine Bluff, Ark.	8,933 86	
New eating house, Pine Bluff, Ark.	2,511 65	
Transfer shed, Texarkana, Tex. (cost in excess of insurance collected on old shed destroyed by fire)	183 15	
Joint Union Depot with Texas Midland R'y at Greenville, Tex., one-half cost (unfinished)	2,198 84	
New closets, and sewer system, Passenger station, Tyler, Tex.	837 48	$15,703 34
Amount carried forward		$15,703 34

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Amount brought forward		$15,703 34
New Track Scales at Shreveport, La.		486 32
Additional Stock Pens—		
Idalia, Mo.	$ 129 93	
LaForge, Mo.	136 03	
Clarendon, Ark.	113 24	
Humphrey, Ark.	131 23	
Camden, Ark.	123 10	
Plain Dealing, La.	115 91	
Malakoff, Tex.	156 11	
Waco, Tex.	783 54	1,689 09
New sand house, Jonesboro, Ark.		364 95
Fuel Stations—		
New coal chutes, Jonesboro, Ark.	$3,316 43	
New coal chutes, Brinkley, Ark.	2,440 42	5,756 85
Improvements to Pine Bluff Shops and Yard—		
New coal storage platform	$ 434 65	
New machinery for shops	3,325 85	
Additional yard track	1,137 42	
New material skidways	95 86	
Clearing up new yard	445 11	
Engineering expenses	35 32	5,474 21
Improvements to Texarkana Shops and Shop Grounds—(Unfinished)		
New round house and pits	$3,219 10	
New oil house	331 71	
New motive power storeroom	679 26	
New coal chute and incline	46 88	
New machinery for shops	3,583 50	
New water station	297 61	
Grading and laying tracks	3,685 11	11,843 17
NOTE—There was purchased during the fiscal year and charged to "Cost of Road and Equipment" (see page 22) additional land for Shop and Motive Power yard purposes at a cost of $4,380.00 making total expenditures for improvements under this heading to June 30th, 1895, $16,223.17.		
Raising track to T. & F. S. R'y Crossing, Texarkana, Tex.—(Unfinished)		2,442 61
Amount carried forward		$43,760 54

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Amount brought forward		$43,760 54
Improvements at Commerce, Texas—(Unfinished)		
New office and storeroom	$ 658 45	
New round house.	3,212 74	
New cinder pit	235 33	
New machinery for shops.	5,574 74	
Grading yard and cost of additional tracks .	8,314 90	17,996 16
Cost of applying air brakes to locomotives . .		4,929 00
Cost of applying air brakes, automatic couplers and American continuous attachments to freight cars		8,752 35
Cost of converting one mail and express and two baggage cars into railway post-office cars		3,097 60
Cost of equipping three railway post-office cars with Harrison bag racks, gas and Baker heaters		4,107 06
Cost of applying second water closet and cooler to coaches		212 00
Expenses incident to Change of Gauge T. S. E. R'y—(Unfinished)		
Changing freight cars from narrow to standard gauge	$4,934 22	
Changing hand cars from narrow to standard gauge	315 43	
Widening and preparing cuts and embankments	10,649 02	
Spikes—track	1,860 00	17,758 67
Ballasting to raise Track above Overflow—		
Bird's Point section on main line in Mo., M. P. 8 to 10	$ 122 20	
Wabbaseca Bottom, on main line in Ark., M. P. 238 to 246 (unfinished)	6,326 79	6,448 99
Ballasting with rock on miles 663 and 664, main line, Texas (unfinished)		1,313 15
New Bridges, including cost of Ballasting and Widening Approaches—		
Spring Creek, mile post C. 589.6, Texas, Ft. Worth section	$5,877 12	
Rowlett's Creek, mile post C. 584.5, Texas, Ft. Worth section	6,234 85	
Amounts carried forward	$12,111 97	$108,375 52

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Amounts brought forward	$12,111 97	$108,375 52
White Rock Creek, mile post C. 596.1, Texas, Ft. Worth section	5,322 97	
East Fork Trinity River, mile post C. 574.2, Texas, Ft. Worth section	6,301 04	23,735 98
Widening embankments and raising approaches to the iron bridge over Richland Creek, Hillsboro section, Texas		1,222 55
New standard tile culverts		6,115 77
Trestles—		
Excavating under trestles, Little Rock section, Arkansas division	$ 192 42	
Filling trestles 630 and 631 on Corkscrew Hill, main line, Arkansas division	223 52	
Excavating under trestle No. 985, Red River Bottom, main line, Arkansas division, to increase waterway	288 60	
Filling trestles 889, 890 and 894, main line, Arkansas division, with earth	33 00	
Raising and widening approaches to trestle No. 28, Sabine Bottom, mile post C. 550, Texas, Ft. Worth section	778 18	
Raising approaches to trestle No. 120, Elm Fork Bottom, mile post C. 604, Texas, Ft. Worth section	3,217 84	4,733 56
Improvements to Big Creek Bottom between M. P. 280 and 284, main line, Arkansas Division—(Unfinished)		
Ballasting	$ 239 55	
Grading and raising track	3,006 03	
Engineering expenses	141 47	3,387 05
Reducing grade line on Thornton Hill, M. P. 309 and 312, main line, Arkansas division (unfinished)		9,973 35
Improving grade line, Bodcaw Bottom, M. P. 386, main line, Arkansas division		701 90
Changing tracks to reach new depot at Pine Bluff, Ark		4,133 01
Yard tracks and transfer facilities with Texas Midland R'y at Greenville, Texas		459 38
Cost of building eight cinder cars		1,824 48
New standard fence		14,994 09
Raising track to take out sag between M. P. 711 and 712, main line, Texas		248 02
Amount carried forward		$179,904 66

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Amount brought forward		$179,904 66
New section house, Zent, Ark		199 15
New watchman's house, Sulphur River, M. P. 454, main line, Texas		214 50
Cost of erecting exclusive railroad telegraph wire, Mt. Pleasant, Texas, to Commerce, Texas		828 63
New Saw Mill Spurs, Private and Side Tracks—		
Ties	$2,078 62	
Frogs	676 16	
Steel rails	7,276 90	
Spikes	443 43	
Splices, etc.	379 22	
Switch fixtures	928 35	
Labor putting in	2,923 10	14,705 78
NOTE—The apparent disparity between the cost of ties and the cost of labor putting in track is explained by the fact that cross ties used in private side tracks for lumber and other industries, are, as a rule, furnished by the proprietors of such industries.		
Engineering Expenses—		
Cost of special surveys		1,233 61
Total		$197,086 33

EXHIBIT B.

ACCRUED INTEREST ON BONDS—ENTIRE SYSTEM.

The semi-annual interest on First Mortgage four per cent. bonds was paid as it became due, as follows:

Coupon No. 8, due November 1st, 1894	$400,000 00
Coupon No. 9, due May 1st, 1895	400,000 00
Total	$800,000 00

EXHIBIT C.

TAXES ACCRUED, FISCAL YEAR—ENTIRE SYSTEM.

This account is charged with the monthly pro rata of taxes assessed for the year, and, whenever practicable, State and County warrants that can be purchased at a discount are bought

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and used in paying taxes. The difference between the face value and cost of warrants to the Company is credited to "Taxes Accrued."

Taxes accrued, fiscal year ended June 30th, 1895	$117,729 01
Taxes accrued, fiscal year ended June 30th, 1894	113,825 45
Increase	$ 3,903 56

The following comparative statement shows the amount of taxes for the calendar year assessed by and paid to each State in which the line is located:

TAXES PAID, CALENDAR YEAR—ENTIRE SYSTEM.

STATE.	Year 1894.	Year 1893.	Increase.	Decrease.
Missouri	$ 13,482 52	$ 11,323 61	$2,158 91	—
Arkansas	51,018 62	49,013 44	2,005 18	—
Louisiana	4,697 91	5,343 75	—	$645 84
Texas	50,006 82	49,409 07	597 75	—
Total taxes paid—Calendar Year	$119,205 87	$115,089 87	$4,116 00	—

EXHIBIT D.

INTEREST AND EXCHANGE—ENTIRE SYSTEM.

This account covers the net amount of expenditures for interest on Floating Debt.

Total for year ended June 30th, 1895	$22,536 18
Total for year ended June 30th, 1894	23,852 69
Decrease	$ 1,316 51

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EXHIBIT E.

ALL OTHER PAYMENTS—ENTIRE SYSTEM.

DESCRIPTION.	Year ended June 30, 1895.	Year ended June 30, 1894.	Decrease
Miscellaneous Expenses—New York Office—Account Reorganization, Etc.	—	$ 1,479 80	$1,479 80
Equipment Trust Expenses, St. Louis Southwestern Car Trust—Series A	$16,291 65	17,912 00	1,620 35
Adjustment of Sundry Accounts	941 07	9,724 98	8,783 91
Receivers' Liabilities Paid	585 28	3,370 21	2,784 93
Total	$17,818 00	$32,486 99	$14,668 99

EXHIBIT F.

INTEREST ON BONDS OWNED—ENTIRE SYSTEM.

Received during year ended June 30th, 1895, interest on $25,000 Paragould Southeastern Railway First Mortgage Bonds, at 6 per cent., from January 1st, 1894, to June 30th, 1895—18 months	$2,250 00
Received during year ended June 30th, 1894, interest on $25,000 Paragould Southeastern Railway First Mortgage Bonds, at 6 per cent., from July 1st, 1893, to December 31st, 1893—6 months	750 00
Increase	$1,500 00

EXHIBIT G.

ALL OTHER RECEIPTS—ENTIRE SYSTEM.

DESCRIPTION.	Year ended June 30, 1895.	Year ended June 30. 1894.	Decrease.
Interest on First Mortgage Certificates of the St. Louis Southwestern Ry. Co., in Treasury	$ 19,686 66	$ 20,000 00	$ 313 34
Adjustment of Sundry Accounts, etc.	2,382 53	4,736 21	2,353 68
Surplus Reorganization Funds	—	5,544 40	5,544 40
Total	$ 22,069 19	$ 30,280 61	$ 8,211 42

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EXHIBIT H.

COST OF ROAD AND EQUIPMENT—ENTIRE SYSTEM.

YEAR ENDED JUNE 30TH, 1895.

Changes during year ended June 30th, 1895—			
RIGHT OF WAY SETTLEMENTS			$1,831 62
ADDITIONAL LAND PURCHASED—			
For new motive power yard at Texarkana		$ 4,380 00	
For depot purposes at Athens, Tex.		678 50	
For stock pens at Waco, Tex.		1,000 00	
For stock pens at Mt. Pleasant, Tex.		50 00	6,108 50
EQUIPMENT—			
Cars Purchased—			
Two new chair cars, and three new coaches		$24,440 00	
Cars Built—			
One new mail car	$ 2,362 80		
One new incline car	405 16		
One new furniture car	654 11		
Fifty-three new box cars	24,622 60	28,044 67	
Equipment Replacement Fund—			
Value of destroyed cars originally credited to Equipment Account (and charged to Operating Expenses) when destroyed, transferred to credit of "Equipment Replacement Fund" for rebuilding purposes—			
Two combination cars	$ 6,775 00		
Three baggage cars	6,125 00		
One coach	1,770 00		
Thirty stock cars	14,900 00		
Six box cars	2,855 00		
Three flat cars	775 00	33,200 00	
		$85,684 67	
Less Equipment Destroyed and Sold—			
Cars destroyed during year that will not be rebuilt (loss charged to Operating Expenses monthly as cars were destroyed)	$3,456 24		
One flat car sold	175 00		
One standard gauge engine sold	3,500 00	7,131 24	
Net addition account of Equipment			78,553 43
Total net additions for the year			$ 86,493 55
Total cost to July 1st, 1894			65,335,875 50
Total Cost of Road and Equipment to June 30th, 1895			$65,422,369 05

When cars are destroyed which are intended to be rebuilt, the amount of net loss and depreciation at the time of destruction is charged to Operating Expenses and the value of the car according to Master Car Builders' rules is credited to a replacement fund styled

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"Equipment Replacement Fund," then, when such cars are rebuilt, the cost of same to the extent of the amount originally credited, is charged against this fund. This explains the item of $33,200.00 as shown in the foregoing exhibit and is the value of certain cars destroyed that was credited to Equipment Account instead of Equipment Replacement Fund, on the supposition that such cars would not be rebuilt. It has since been decided to credit the value of these cars to Equipment Replacement Fund to be applied to cost of rebuilding cars, in line with the policy adopted by the management of maintaining in good condition the Company's full quota of equipment.

EXHIBIT I.

CONSTRUCTION ACCOUNTS—ENTIRE SYSTEM.

Argenta Extension	$20,722 81
Survey—Delta to Cape Girardeau	808 14
	$21,530 95

No changes have been made in the above accounts during the fiscal year ended June 30th, 1895.

EXHIBIT J.

REAL ESTATE—ENTIRE SYSTEM.

In Little Rock (not used for railroad purposes)	$27,327 95

No change has been made in the above account during the fiscal year ended June 30th, 1895.

EXHIBIT K.

ADVANCES TO SUNDRY AGENTS (TO BE ACCOUNTED FOR)—ENTIRE SYSTEM.

Paid Claims Unadjusted—	
Debit Balance June 30th, 1895	$16,085 66
Debit Balance June 30th, 1894	18,741 91
Decrease	$ 2,656 25

This account is composed of loss, damage and overcharge claims, paid by agents of this Company (in protection of bills of

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lading, etc.), which are charged to this account, in suspense, while such claims are in process of investigation and adjustment. A large proportion of the amount will be collected back from other lines.

EXHIBIT L.

INVESTMENTS IN STOCKS AND BONDS—ENTIRE SYSTEM.

CLASS OF SECURITY.	June 30, 1895.		June 30, 1894.	
	Face Value.	Cost to Co.	Face Value.	Cost to Co.
Capital Stock, Paragould Southeastern Ry. Co.	$ 25,000 00	—	$ 25,000 00	—
First Mortgage Bonds, Paragould Southeastern Ry. Co	25,000 00	$ 25,000 00	25,000 00	$ 25,000 00
First Mortgage Bonds, Gulf & Ship Island Ry	15,000 00	1,500 00	15,000 00	1,500 00
Capital Stock, St. L. S. W. Ry. Co.—Preferred	106,350 00	106,350 00	—	—
Capital Stock, St. L. S. W. Ry. Co.—Common	143,900 00	143,900 00	—	—
First Mortgage Certificates, St. L. S. W. Ry. Co.	325,000 00	325,000 00	500,000 00	500,000 00
First Mortgage Certificates, St. L. S. W. Ry. Co.—fractional scrip	137 70	137 70	—	—
Second Mortgage Certificates, St. L. S. W. Ry. Co.	31,000 00	31,000 00	—	—
Second Mortgage Certificates, St. L. S. W. Ry. Co.—fractional scrip	227 50	227 50	—	—
Totals	$671,615 20	$633,115 20	$565,000 00	$526,500 00

As mentioned on page 21, of the annual report for the fiscal year ended June 30th, 1894, the Company had in its treasury securities (bonds and stocks of its own issue), representing the surplus, after providing for the old securities deposited under the plan of reorganization, which had not, at that date—June 30th, 1894—been formally taken up on the books as assets. In September, 1894, these securities were taken up on the books of the Company at their face value, and the amount credited to Profit and Loss Account (see page 12, of this report), as follows:

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Preferred Stock, 1063½ shares @ $100	$106,350 00
Common Stock, 1439 shares @ $100	143,900 00
First Mortgage Certificates, 1 @ $1,000	1,000 00
First Mortgage Certificates (fractional scrip)	440 00
Second Mortgage Certificates, 31 @ $1,000	31,000 00
Second Mortgage Certificates (fractional scrip)	227 50
Total	$282,917 50

Of the securities held in its treasury, the Company disposed of the following during the fiscal year ended June 30th, 1895:

First Mortgage Certificates, St. L. S. W. Ry. Co.—		
176 @ $1,000, face value	$176,000 00	
First Mortgage Certificates, St. L. S. W. Ry. Co.—		
fractional scrip, face value	302 30	176,302 30
Net increase in amount of "Investments in Stocks and Bonds," for year ended June 30th, 1895.		$106,615 20

On the total amount of securities disposed of during the year, $176,302.30, there was a discount of $55,858.02, which was charged to Profit and Loss Account, as shown on page 12 of this report. The net amount realized from the sale of such securities was $120,444.28 or 68.32 per cent. of their face value.

Of the net proceeds realized from sale of these securities, $94,500.00 was applied toward reducing the amount of $270,000.00 due the Estate of Jay Gould, for money borrowed soon after the road was turned over to this Company, in order to carry on the necessary improvements begun by the Reorganization Committee. The balance due the Estate of Jay Gould, June 30th, 1895, is $175,500.00, as shown in the Floating Debt statement, page 26 of this report.

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EXHIBIT M.

FLOATING DEBT—ENTIRE SYSTEM.

JUNE 30TH, 1895.

CURRENT LIABILITIES.		
SUNDRY ACCOUNTS PAYABLE—		
Audited vouchers and pay rolls prior to June 1st, 1895		$294,194 67
Audited vouchers and pay rolls, June, 1895, not payable until July 20th, 1895		350,992 10
Bills Payable—		
Estate of Jay Gould—Balance due on demand note, dated April 20th, 1892	$175,500 00	
St. Charles Car Co., due December 10th, 1895	15,000 00	
C. C. Hustead, due on delivery of deed	130 65	190,630 65
Taxes, Year 1895 (accrued, not due until 1896)		59,072 21
		$894,889 63
INTEREST ON BONDS—		
Due and unpaid (unpresented coupons—money to pay on deposit with Central Trust Co. of New York)	$ 40,460 00	
Accrued, not due until November 1st, 1895	133,333 33	173,793 33
Total Current Liabilities		$1,068,682 96
CURRENT ASSETS.		
CASH—		
In hands of Treasurer	$ 43,347 52	
Remittances in transit from Agents and Conductors	65,403 82	
In hands of Paymaster	6,997 87	
Central Trust Co. of New York—Coupon Account	40,460 00	$156,209 21
SUNDRY ACCOUNTS COLLECTIBLE—		
Station Agents and Conductors	$ 46,710 17	
Bills Receivable	1,513 84	
U. S. Post Office Department	29,920 85	
Pacific Express Co.	6,000 00	
Superintendent of Telegraph	327 77	
Individuals and Companies—Open Accounts	40,459 69	124,932 32
SUPPLIES AND MATERIAL ON HAND—		
Shop Supplies	$118,165 46	
Fuel	23,498 14	
Bridge and Building Material	53,629 04	
Cross Ties	22,465 88	
Steel Rails—New	11,676 67	
Second-hand Rails	15,763 32	
Stationery Stock	6,214 06	251,412 57
Total Current Assets		$532,554 10
Floating Debt, or balance of Current Liabilities in excess of Current Assets		$536,128 86
In addition to "Current Assets" above mentioned, the Company has other available assets, consisting of investments in stocks and bonds, as per Exhibit L. Based on quotations of the N. Y. Stock Exchange, June 28th, 1895, for such as are listed, and estimating the others at a low valuation, the total market value of these securities is, approximately		326,747 26
Net Floating Debt after deducting market value of investments		$209,381 60

COMPARATIVE SUMMARY OF FLOATING DEBT—	June 30th, 1895.	June 30th, 1894.
Current Liabilities	$1,068,682 96	$1,290,434 33
Current Assets	532,554 10	495,697 67
Floating Debt	$ 536,128 86	$ 794,736 66
Less market value of investments in stocks and bonds	326,747 26	317,935 30
Net Floating Debt	$ 209,381 60	$ 476,801 36

Included in "Current Liabilities," in the foregoing statement, are the following items due on various dates subsequent to June 30th, 1895:

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Audited vouchers and pay rolls, June, 1895, not payable until July 20th, 1895	$350,992 10
Bills Payable—not due until December 10th, 1895	15,000 00
Taxes Year 1895 (accrued, not due until 1896)	59,072 21
Interest on Bonds—accrued, not due until November 1st, 1895	133,333 33
Total	$558,397 64

Compared with June 30th, 1894, the Floating Debt, or balance of Current Liabilities in excess of Current Assets, has been reduced $258,607.80 during the fiscal year ended June 30th, 1895, as follows:

Decrease of Total Current Liabilities	$221,751 37
Increase of Total Current Assets	36,856 43
Net decrease in Floating Debt	$258,607 80

After taking into consideration outstanding notes not due, taxes and interest accrued but not due, and the market value of investments in stocks and bonds, it will be seen from the following summary that the Company has, practically, no floating debt.

Floating Debt, or balance of Current Liabilities in excess of Current Assets, as shown in Exhibit M.		$536,128 86
From which deduct—		
Bills Payable, not due until Dec. 10th, 1895	$ 15,000 00	
Taxes 1895—accrued, not due until 1896	59,072 21	
Interest on Bonds—accrued, not due until November 1st, 1895	133,333 33	
Market value of other available assets, consisting of investments in stocks and bonds, June 30th, 1895	326,747 26	534,152 80
Actual net Floating Debt, June 30th, 1895, (including in the Current Liabilities, audited vouchers and pay rolls, June, 1895, not payable until July 20th, 1895)		$ 1,976 06

EXHIBIT N.

CAPITAL STOCK—ENTIRE SYSTEM.

JUNE 30TH, 1895.

DESCRIPTION.	Number of Shares Authorized.	Par Value of Shares.	Total Par Value Authorized.	Total Amount Issued and Outstanding.
Preferred	200,000	$100 00	$20,000,000 00	$20,000,000 00
Common	165,000	100 00	16,500,000 00	16,500,000 00
Totals	365,000	—	$36,500,000 00	$36,500,000 00

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EXHIBIT O.

BONDS—ENTIRE SYSTEM.

JUNE 30TH, 1895.

DESCRIPTION.	Time.		Amount of Authorized Issue.	Amount Issued.	Amount Outstanding.	Interest.	
	Date of Issue.	When Due.				Rate.	When Payable.
First Mortgage	Nov. 1, 1890.	Nov. 1, 1989.	$20,000,000 00	$20,000,000 00	$20,000,000 00	4%	May and Novemb'r
Second Mortgage, Income,	Nov. 1, 1890.	Nov. 1, 1989.	10,000,000 00	8,000,000 00	8,000,000 00	*4%	January and July.
Totals .	—	—	$30,000,000 00	$28,000,000 00	$28,000,000 00	—	—

* If earned.

EXHIBIT P.

EQUIPMENT TRUST OBLIGATIONS.

JUNE 30TH, 1895.

Total outstanding (not due) June 30th, 1894	$609,638 68
Deduct—	
Notes matured during year ended June 30th, 1895, that were paid as they fell due, amounting to	139,139 06
Total outstanding (not due) June 30th, 1895, shown in detail below	$470,499 62

WHEN DUE.	St. L. Ark. & Tex. Ry.		St. L. S. W. Ry.	Total.
	Series "A 1."	Series "A 37."	Series "A."	
Due during year ending June 30th, 1896	$ 60,486 66	$ 62,325 16	$ 25,000 00	$ 147,811 82
" " " " " 30th, 1897	20,984 90	26,145 16	25,000 00	72,130 06
" " " " " 30th, 1898	—	77,285 16	25,000 00	102,285 16
" " " " " 30th, 1899	—	23,272 58	25,000 00	48,272 58
" " " " " 30th, 1900	—	—	25,000 00	25,000 00
" " " " " 30th, 1901	—	—	25,000 00	25,000 00
" " " " " 30th, 1902	—	—	25,000 00	25,000 00
" " " " " 30th, 1903	—	—	25,000 00	25,000 00
Totals	$81,471 56	$189,028 06	$200,000 00	$470,499 62
Average annual payment for eight years	—	—	—	$ 58,812 45

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EXHIBIT Q.

MISCELLANEOUS ACCOUNTS—ENTIRE SYSTEM.

JUNE 30TH, 1895.

CREDIT BALANCES—		
Equipment Replacement Fund	$79,505 00	
Donated Town Lot Sales	4,955 00	
Hospital Fund	1,398 26	$85,858 26
DEBIT BALANCES—		
Insurance Account (premium paid but not accrued)		3,357 90
Credit Balance June 30th, 1895, as shown in Condensed Balance Sheet		$82,500 36

SUMMARY OF FINANCIAL TRANSACTIONS—ENTIRE SYSTEM.

YEAR ENDED JUNE 30TH, 1895.

The following statement, considered in connection with the foregoing financial statements, furnishes in a condensed form an analysis of all resources (showing also how the same were appropriated) during the year ended June 30th, 1895:

RESOURCES.		
Cash balance July 1st, 1894		$ 24,015 18
Surplus from operation for fiscal year ended June 30th, 1895, after providing for interest on bonds and other payments charged against income	$306,189 48	
Surplus St. L. S. W. Ry. securities received from Reorganization Committee—face value	282,917 50	
Sale of St. L. S. W. Ry. securities (First M't'ge Certificates)—face value	176,302 30	
Decrease of Advances to Sundry Agents (to be accounted for)	2,656 25	
Increase of Miscellaneous Accounts—credit balance	54,950 40	823,015 93
		$847,031 11
APPROPRIATION OF RESOURCES.		
Equipment Trust Obligations matured during year ended June 30th, 1895, paid as they fell due	$139,139 06	
Increase of Cost of Road and Equipment as shown in Exhibit H	86,493 55	
Increase of Investments in Stock and Bonds	282,917 50	
Discount on St. L. S. W. Ry. securities (First M't'ge Certificates) sold	55,858 02	
Increase of Current Assets (exclusive of cash in hands of Treasurer)	17,524 09	
Decrease of Current Liabilities	221,751 37	803,683 59
Cash balance June 30th, 1895		$ 43,347 52

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TRAFFIC.

FREIGHT TRAFFIC.

TONNAGE AND REVENUE—ENTIRE SYSTEM.

ITEM.	Year ended June 30, 1895.	Year ended June 30, 1894.	Increase.	Per Cent.	Decrease	Per Cent.
No. of Tons carried	1,470,257	1,328,377	141,880	10.68	—	—
No. of Tons carried one mile	309,245,333	282,162,773	27,082,560	9.60	—	—
Average Distance haul of one Ton (miles)	210.33	212.41	—	—	2.08	.98
*Total Freight Earnings . .	$4,072,163.50	$3,498,158.58	$574,004.92	16.41	—	—
*Average Earnings per Ton .	$2.7697	$2.6334	$0.1363	5.18	—	—
*Average Earnings per Ton per mile	$0.0132	$0.0124	$0.0008	6.45	—	—

*Actual Earnings derived from hauling Freight, not including any portion of Miscellaneous Earnings.

Attention is directed to the fact that while, for the fiscal year ended June 30th, 1895, the total tonnage transported increased 141,880 tons, or 10.68 per cent., and the freight earnings therefrom increased $574,004.92, or 16.41 per cent., the freight train mileage increased but 81,343 miles, or 4.32 per cent.

The average earnings per ton increased $0.1363, or 5.18 per cent., and the average earnings per ton per mile $0.0008, or 6.45 per cent., for the fiscal year ended June 30th, 1895, over the preceding year. These increased averages are attributable to the large increase in the transportation of high class freight during the fiscal year, notably cotton, and to the steady maintenance of rates which were undisturbed up to June, 1895, when a rate war on traffic to Texas points was inaugurated, which lasted during the entire month.

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The following table furnishes a comprehensive analysis of the total tonnage transported over the entire System, during the year ended June 30th, 1895, compared with the previous fiscal year. It shows the number of tons of each commodity hauled, the increase and decrease in tonnage of the various commodities, the relative percentage of each commodity to the total tonnage of all commodities, and the relative percentage of the increased and decreased tonnage of each commodity to the total tonnage of each commodity:

CLASSIFICATION OF TONNAGE—ENTIRE SYSTEM.

TOTAL TONNAGE TRANSPORTED.

COMMODITIES.	Year ended June 30, 1895.		Year ended June 30, 1894.		Increase.		Decrease.	
	Tons.	Per Cent.	Tons.	Per Cent.	Tons.	Per Cent.	Tons.	Per Cent.
Lumber	698,179	47.49	663,729	49.97	34,450	5.19	—	—
Cotton	163,022	11.09	101,994	7.68	61,028	59.83	—	—
Cotton Seed Products	106,456	7.24	74,968	5.64	31,488	42.00	—	—
Grain	61,378	4.17	73,564	5.54	—	—	12,186	16.57
Flour	57,653	3.92	45,229	3.40	12,424	27.47	—	—
Other Mill Products	21,454	1.46	14,833	1.12	6,621	44.64	—	—
Hay	28,989	1.97	25,516	1.92	3,473	13.61	—	—
Tobacco	373	.03	599	.04	—	—	226	37.73
Vegetables	15,449	1.05	11,679	.88	3,770	32.28	—	—
Live Stock	51,204	3.48	36,160	2.72	15,044	41.60	—	—
Bacon	10,647	.72	8,614	.65	2,033	23.60	—	—
Merchandise	64,504	4.39	60,997	4.59	3,507	5.75	—	—
Coal (includ'g Charcoal)	47,246	3.21	89,601	6.75	—	—	42,355	47.27
Oil	13,220	.90	17,108	1.29	—	—	3,888	22.73
Sugar	7,657	.52	6,915	.52	742	10.73	—	—
Agricultural Implements	3,615	.25	2,375	.18	1,240	52.21	—	—
Emigrant Outfit	7,116	.48	6,891	.52	225	3.27	—	—
Salt	8,530	.58	8,147	.61	383	4.70	—	—
Wine, Liquors and Beer	5,692	.39	6,699	.50	—	—	1,007	15.03
Miscellaneous	97,873	6.66	72,759	5.48	25,114	34.52	—	—
Total	1,470,257	100.00	1,328,377	100.00	201,542	—	59,662	—
Net Increase					141,880	10.68	—	—

To further analyze the tonnage movement, the following tables have been prepared, showing the same general information contained in the foregoing table, subdivided under the heads of "Tonnage originating on this System," and "Tonnage received from connecting Roads."

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Tonnage Originating on this System.

Commodities.	Year ended June 30, 1895.		Year ended June 30, 1894.		Increase.		Decrease.	
	Tons.	Per Cent. of Commodity Total.	Tons.	Per Cent. of Commodity Total.	Tons.	Per Cent.	Tons.	Per Cent.
Lumber	638,027	91.38	617,219	92.99	20,808	3.37	—	—
Cotton	148,520	91.10	95,876	94.00	52,644	54.91	—	—
Cotton Seed Products	96,825	90.95	69,916	93.26	26,909	38.49	—	—
Grain	38,168	62.19	46,171	62.76	—	—	8,003	17.33
Flour	9,731	16.88	14,617	32.32	—	—	4,886	33.43
Other Mill Products	7,182	33.48	4,092	27.59	3,090	75.51	—	—
Hay	19,019	65.61	17,896	70.14	1,123	6.28	—	—
Tobacco	18	4.83	141	23.54	—	—	123	87.23
Vegetables	8,513	55.10	5,304	45.41	3,209	60.50	—	—
Live Stock	35,362	69.06	27,751	76.75	7,611	27.43	—	—
Bacon	394	3.70	416	4.83	—	—	22	5.29
Merchandise	28,387	44.01	26,715	43.80	1,672	7.01	—	—
Coal (includ'g Charcoal)	9,650	20.43	6,843	7.64	2,807	41.02	—	—
Oil	3,293	24.91	562	3.29	2,731	485.94	—	—
Sugar	348	4.54	512	7.40	—	—	164	32.03
Agricultural Implements	612	16.93	556	23.41	56	10.07	—	—
Emigrant Outfit	1,976	27.77	2,537	36.82	—	—	561	22.11
Salt	222	2.60	2,525	30.99	—	—	2,303	91.21
Wine, Liquors and Beer	257	4.52	851	12.70	—	—	594	69.80
Miscellaneous	37,145	37.95	24,469	33.63	12,676	51.80	—	—
Total	1,083,649	73.70	964,969	72.64	135,336	—	16,656	—

Tonnage Received from Connecting Roads.

Commodities.	Year ended June 30, 1895.		Year ended June 30, 1894.		Increase.		Decrease.	
	Tons.	Per Cent. of Commodity Total.	Tons.	Per Cent. of Commodity Total.	Tons.	Per Cent.	Tons.	Per Cent.
Lumber	60,152	8.62	46,510	7.01	13,642	29.33	—	—
Cotton	14,502	8.90	6,118	6.00	8,384	137.04	—	—
Cotton Seed Products	9,631	9.05	5,052	6.74	4,579	90.64	—	—
Grain	23,210	37.81	27,393	37.24	—	—	4,183	15.27
Flour	47,922	83.12	30,612	67.68	17,310	56.55	—	—
Other Mill Products	14,272	66.52	10,741	72.41	3,531	32.87	—	—
Hay	9,970	34.39	7,620	29.86	2,350	30.84	—	—
Tobacco	355	95.17	458	76.46	—	—	103	22.49
Vegetables	6,936	44.90	6,375	54.59	561	8.80	—	—
Live Stock	15,842	30.94	8,409	23.25	7,433	88.39	—	—
Bacon	10,253	96.30	8,198	95.17	2,055	25.07	—	—
Merchandise	36,117	55.99	34,282	56.20	1,835	5.35	—	—
Coal (includ'g Charcoal)	37,596	79.57	82,758	92.36	—	—	45,162	54.57
Oil	9,927	75.09	16,546	96.71	—	—	6,619	40.00
Sugar	7,309	95.46	6,403	92.60	906	14.15	—	—
Agricultural Implements	3,003	83.07	1,819	76.59	1,184	65.09	—	—
Emigrant Outfit	5,140	72.23	4,354	63.18	786	18.05	—	—
Salt	8,308	97.40	5,622	69.01	2,686	47.78	—	—
Wine, Liquors and Beer	5,435	95.48	5,848	87.30	—	—	413	7.06
Miscellaneous	60,728	62.05	48,290	66.37	12,438	25.76	—	—
Total	386,608	26.30	363,408	27.36	79,680	—	56,480	—

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It will be noted from the table headed, "Tonnage originating on this System," that 73.70 per cent. of the total tonnage transported, originated at points located on this System, which reflects the splendid resources of the country traversed.

Lumber still continues to form nearly one-half of the entire tonnage handled by this Company. For the year ended June 30th, 1895, compared with the preceding year, the tonnage of this commodity shows an increase of 34,450 tons or 5.19 per cent.

In total tonnage transported cotton furnishes the largest increase of any commodity (59.83 per cent.), which is due to the extraordinarily heavy crop of the season 1894-1895. Following will be found a brief table showing the number of bales of cotton carried over the System, and the revenue therefrom for the years ended June 30th, 1893, 1894 and 1895:

Year ended June 30th.	Number of Bales.	Revenue.
1893	331,726	$ 643,312 14
1894	400,480	744,484 37
1895	628,015	1,019,333 51

While there was a substantial increase in the aggregate amount of cotton seed products handled, due to the heavy cotton crop, the percentage of increase, however, is smaller than that of cotton transported. This difference is attributable to the fact that the price of cotton seed products was reduced nearly one-half as compared with the preceding year, which resulted in a smaller per cent. being used by the oil mills for manufacturing purposes, much of it being sold to other parties for stock feeding.

The grain movement was considerably decreased on account of the complete failure of the western crop of 1894, and the lateness of the crop of 1895.

Vegetables, though forming but 1.05 per cent. of the total tonnage transported, shows a good increase. The watermelon crop in Southeast Missouri and Northeast Arkansas was especially large during the summer of 1895, nearly 1,000 cars being marketed via this line. This product has become a source of con-

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siderable revenue to the agricultural element of that section, and its cultivation promises to become more extensive each year. The fruit crop in Eastern Texas, particularly around Tyler, Smith County, was also large, and a good share of this product was marketed via this line.

The decrease in coal transported is explained by the fact that the supply for use of the Texas lines of this System, which, prior to the report year was purchased from Illinois mines and transported over the lines north of Texarkana as commercial freight, was purchased during the fiscal year from Texas and Indian Territory mines direct. This subject is referred to at length on page 65 of this report.

Miscellaneous freight shows a distinct increase for the fiscal year over the preceding year, which is due to an increased movement of manufactured articles from St. Louis and the various central and eastern markets to points in the Southwest.

A number of new industries have been located on this line during the year ended June 30th, 1895, notably: Flouring mills at Campbell, Mo., St. Francis, Ark., and Rector, Ark.; cotton compress at Texarkana, Tex. (to be erected this fall); brick yard at Sulphur Springs, Tex., with capacity of 30,000 bricks per day; cotton seed oil mill at Greenville, Tex. (under construction); flouring mill and elevator, with capacity of 250 barrels per day, at Plano, Tex.; oil mill at McGregor, Tex. (under construction); lime kiln at Lime City, Tex. (under construction); cotton compress at Gatesville, Tex. (under construction); and saw mills at the following points: Gilkeson, Ark., Weston, Ark., Farrell, Ark., Rison, Ark., Savage, Ark., Farrar, Ark., Stephens, Ark., Bolinger, Ark., Bradley, Ark., Bettie, Tex., and Chronister, Tex. (mile post 507). Lumber companies at the following points have also extensively increased their capacity: Fordyce, Ark., Best, Ark., Bodcaw, Ark., Pearson, Ark., Martindale, La., and Arkana, La. Also a number of tram railways varying in length from five to

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twenty-two miles, and penetrating the extensive forests adjacent to this system of railways, are now operated by various lumber concerns solely to market their product via this line.

Passenger Traffic.

Passengers Carried and Revenue—Entire System.

Item.	Year ended June 30, 1895.	Year ended June 30, 1894.	Increase.	Per Cent.	Decrease.	Per Cent.
Number of Passengers carried . .	838,984	810,801	28,183	3.48	—	—
Number of Passengers carried one mile	36,744,040	37,040,490	—	—	296,450	.80
Average distance one Passenger carried (miles)	43.80	45.68	—	—	1.88	4.12
*Total Passenger Earnings	$889,304.61	$883,408.68	$5,895.93	.67	—	—
*Average Earnings per Passenger	$1.0600	$1.0896	—	—	$0.0296	2.72
*Average Earnings per Passenger per mile	$0.0242	$0.0238	$0.0004	1.68	—	—

*Actual Earnings derived from hauling Passengers, not including Mail and Express nor any portion of Miscellaneous Earnings.

For the fiscal year ended June 30th, 1895, the number of passengers carried shows an increase of 28,183, or 3.48 per cent., and the revenue an increase of $5,895.93, or .67 of one per cent. over the preceding year. The small increase of $0.0004 or 1.68 per cent. in the average earnings per passenger per mile, indicates the fact that passenger rates were well maintained throughout the year.

It is expected that the Cotton States and International Exposition at Atlanta, Georgia, will increase the travel through Memphis considerably during the coming fall, while the opening of the new sleeping car line between St. Louis and Shreveport, La., via the St. L. I. M. & S. Ry. and Delta will, undoubtedly, result in increased travel via that route.

Immediately following this will be found a table showing the classification of passengers carried and earnings derived there-

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from for the fiscal year ended June 30th, 1895, compared with the preceding fiscal year:

CLASSIFICATION OF PASSENGERS AND PASSENGER REVENUE—ENTIRE SYSTEM.

ITEM.	Year ended June 30, 1895.	Year ended June 30, 1894.	Increase.	Per Cent.	Decrease.	Per Cent.
PASSENGERS CARRIED—						
Local Tickets	654,262	632,033	22,229	3.52	—	—
Cash Fares	117,606	118,226	—	—	620	.52
Home Coupon Tickets	30,209	26,138	4,071	15.58	—	—
Foreign Coupon Tickets	36,907	34,404	2,503	7.28	—	—
TOTAL	838,984	810,801	28,183	3.48	—	—
PASSENGERS CARRIED ONE MILE—						
Local Tickets	19,345,161	18,786,420	558,741	2.97	—	—
Cash Fares	1,675,547	1,578,458	97,089	6.15	—	—
Home Coupon Tickets	6,040,350	6,249,986	—	—	209,636	3.35
Foreign Coupon Tickets	9,682,982	10,425,626	—	—	742,644	7.12
TOTAL	36,744,040	37,040,490	—	—	296,450	.80
PASSENGER EARNINGS—						
Local Tickets	$528,807 28	$508,737 92	$20,069 36	3.94	—	—
Cash Fares	52,308 07	50,118 40	2,189 67	4.37	—	—
Home Coupon Tickets	116,619 50	120,312 61	—	—	$ 3,693 11	3.07
Foreign Coupon Tickets	191,569 76	204,239 75	—	—	12,669 99	6.20
TOTAL	$889,304 61	$883,408 68	$5,895 93	.67	—	—
EARNINGS PER PASSENGER—						
Local Tickets	$0.8082	$0.8049	$0.0033	.41	—	—
Cash Fares	0.4448	0.4239	0.0209	4.93	—	—
Home Coupon Tickets	3.8604	4.6030	—	—	$0.7426	16.13
Foreign Coupon Tickets	5.1906	5.9365	—	—	0.7459	12.56
TOTAL	$1.0600	$1.0896	—	—	$0.0296	2.72
EARNINGS PER PASSENGER PER MILE—						
Local Tickets	$0.0273	$0.0271	$0.0002	.74	—	—
Cash Fares	0.0312	0.0318	—	—	$0.0006	1.89
Home Coupon Tickets	0.0193	0.0193	—	—	—	—
Foreign Coupon Tickets	0.0198	0.0196	0.0002	1.02	—	—
TOTAL	$0.0242	$0.0238	$0.0004	1.68	—	—

NOTE.—The foregoing results are based on actual Earnings derived from hauling Passengers, not including Mail and Express nor any portion of Miscellaneous Earnings.

It will be noted from the foregoing table that Passenger Earnings show an increase over the preceding fiscal year from the

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sale of local tickets of $20,069.36, or 3.94 per cent., and from cash fares collected $2,189.67, or 4.37 per cent.

While there is a distinct increase in the number of home coupon tickets (coupon tickets sold from points on this line), and foreign coupon tickets (coupon tickets sold by foreign lines), there is a decrease in the revenue therefrom, which is due to the World's Fair travel during the preceding year, on which there was an unusually long haul.

Notwithstanding the fact that the decrease in the revenue from ticket sales by foreign lines was only 6.20 per cent., the commissions paid to foreign line ticket agents decreased 12.71 per cent. It is also worthy of note that while the total passenger earnings show an increase of .67 of one per cent., the cost of advertising has decreased 16.56 per cent. It will thus be seen that while the total passenger earnings show a slight increase there has been a substantial decrease in these two items of expense connected with passenger traffic.

Mail Traffic.

Mail Earnings, fiscal year ended June 30th, 1895	$119,327 98
Mail Earnings, fiscal year ended June 30th, 1894	103,393 10
Increase	$ 15,934 88

In the spring of 1894 the mails on a number of the routes comprising over half the mileage of the System were weighed, and the result was an increase in the total compensation for mail service on the entire System for the fiscal year ended June 30th, 1895, of 15.41 per cent. The increase in mail pay resulting from such weighing was effective on July 1st, 1894. In the spring of 1895 the mails on the routes that were not weighed in 1894 were weighed, and effective with July 1st, 1895, the annual compensation for mail service on the entire System will be about $135,000.00, or an increase of about 13 per cent. Official advice

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as to the exact compensation for service on routes weighed last spring has not yet been received.

In order to appreciate the amount of increase in mail pay, which is the result of weighing the mails in the springs of 1894 and 1895, it is necessary to compare the annual compensation prior to July 1st, 1894, with that subsequent to July 1st, 1895. The total of mail earnings for the year ended June 30th, 1894, was $103,393.10. The annual compensation commencing with July 1st, 1895, will be about $135,000.00, an increase of about $31,600.00, or 31 per cent. On July 1st, 1895, a line of vestibuled railway post-office cars was put into service between Cairo and Texarkana, and commencing with January 1st, 1896, six months after the establishment of the line, according to the United States Post Office Department regulations, the Company will receive an additional compensation for the use of these mail cars of about $10,500.00 per annum, making the increase in the annual compensation from January 1st, 1896, as compared with the fiscal year ended June 30th, 1894, about $42,000.00, or 41 per cent.

Under the laws respecting pay for transportation of mails on railroad routes, the department is not required to weigh the mails oftener than once in four years. Hence the mail pay will remain about the same for the next three years.

The large increase in the weight of mails transported is a strong indication of the agricultural and commercial growth and development of that section of country traversed by the lines of this System.

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TRAIN AND CAR MILEAGE STATISTICS—ENTIRE SYSTEM.

COMPARATIVE FOR YEARS ENDED JUNE 30TH, 1895–1894.

FREIGHT.	Year ended June 30, 1895.	Year ended June 30, 1894.	Increase.	Per Cent.	Decrease.	Per Cent.
No. of Trains run	22,202	19,303	2,899	15.02	—	—
No. of Loaded Cars moved	393,158	346,070	47,088	13.61	—	—
No. of Empty Cars moved	173,753	142,258	31,495	22.14	—	—
Total No. of Cars moved	566,911	488,328	78,583	16.10	—	—
No. of Miles run by all Freight Trains (includ'g Mixed Trains)	1,940,257	1,858,914	81,343	4.32	—	—
No. of Miles run by Loaded Cars	28,913,339	26,611,677	2,301,662	8.72	—	—
No. of Miles run by Empty Cars	10,071,485	8,446,101	1,625,384	19.24	—	—
No. of Miles run by all Cars	38,984,824	35,057,778	3,927,046	11.20	—	—
No. of Miles run by Home Cars	20,221,920	22,137,184	—	—	1,915,264	8.65
No. of Miles run by Foreign Cars	18,762,904	12,920,594	5,842,310	45.22	—	—
No. of Miles run by Home Cars on Foreign Lines	9,930,917	9,602,422	328,495	3.42	—	—
Percentage of Empty Car mileage to Total Car mileage	26	24	2	8.33	—	—
Average No. of Trains run daily	61	53	8	15.10	—	—
Average No. of Loaded Cars moved daily	1,077	948	129	13.61	—	—
Average No. of Empty Cars moved daily	476	390	86	22.05	—	—
Average No. of all Cars moved daily	1,553	1,338	215	16.07	—	—
Average No. of Loaded Cars in each Train	14.90	14.32	.58	4.05	—	—
Average No. of Empty Cars in each Train	5.19	4.54	.65	14.32	—	—
Average No. of all Cars in each Train	20.09	18.86	1.23	6.52	—	—
Average No. of Miles run by Trains daily	5,316	5,093	223	4.38	—	—
Average No. of Miles run by each Train	87	96	—	—	9	9.38
Average No. of Miles run by Loaded Cars in each Train	1,302	1,379	—	—	77	5.58
Average No. of Miles run by Empty Cars in each Train	454	437	17	3.90	—	—
Average No. of Miles run by all Cars in each Train	1,756	1,816	—	—	60	3.30
Average No. of Miles run per Car per day—Home Cars	24	24	—	—	—	—
Average No. of Miles run per Car per day—Foreign Cars	22	19	3	15.80	—	—
Average No. of Miles run per Car per day—This Company's cars on Foreign Lines	18	20	—	—	2	10.00
Average No. of Cars on Line—Home	2,345	2,572	—	—	227	8.83
Average No. of Cars on Line—Foreign	2,322	1,875	447	23.84	—	—
Average No. of this Company's cars on Foreign Lines	1,537	1,331	206	15.48	—	—

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TRAIN AND CAR MILEAGE STATISTICS—ENTIRE SYSTEM—*Continued.*

PASSENGER.	Year ended June 30, 1895.	Year ended June 30, 1894.	Increase.	Per Cent.	Decrease.	Per Cent.
No. of Trains run	9,317	8,805	512	5.82	—	—
No. of Cars moved	38,711	36,613	2,098	5.73	—	—
No. of Miles run by Trains (not including Mixed Trains)	1,358,605	1,298,870	59,735	4.60	—	—
No. of Miles run by Home Cars	4,555,758	4,715,771	—	—	160,013	3.39
No. of Miles run by Foreign Cars	897,278	902,479	—	—	5,201	.58
No. of Miles run by all Cars	5,453,036	5,618,250	—	—	165,214	2.94
Average No. of Trains run daily	26	24	2	8.33	—	—
Average No. of Cars moved daily	106	100	6	6.00	—	—
Average No. of Cars moved in each Train	3.79	4.05	—	—	.26	6.42
Average No. of Miles run by Trains daily	3,722	3,559	163	4.58	—	—
Average No. of Miles run by each Train	146	148	—	—	2	1.35
Average No. of Miles run by Cars daily	14,940	15,392	—	—	452	2.94
Average No. of Miles run per Car per day—Home Cars	160	177	—	—	17	9.60
Average No. of Miles run per Car per day—Foreign Cars	129	145	—	—	16	11.03
Average No. of Cars on Line—Home	78	73	5	7.00	—	—
Average No. of Cars on Line—Foreign	19	17	2	11.76	—	—

FREIGHT.

During the fiscal year ended June 30th, 1895, the equipment owned and leased remained practically the same as during the preceding fiscal year, as will be seen from the statement of equipment on page 60.

Throughout the greater portion of the month of July, 1894, while the strike of the American Railway Union was in existence, causing stagnation in through freight traffic, freight cars in large numbers stood idle on side tracks at various points on the line, as the freight movement during that period comprised little more than local shipments. After the termination of the strike, it took some time for business to resume its normal condition, and it was necessary to haul empty cars, both home and foreign, out of

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Texas to the Arkansas division in special trains, in order to place them where they could be loaded. This caused a large increase in empty mileage, as well as in the mileage of foreign cars.

The cotton movement on this line during the fiscal year ended June 30th, 1895, was the largest in the history of the road. The total number of bales hauled was 628,015, while the total number of bales hauled during the previous year was 400,480, making an increase of 227,535 bales. A large part of the cotton in Texas was moved to Gulf points, thus causing a short haul on this line, and making it necessary to retain between 700 and 800 home box cars in Texas hauling cotton into junction stations. This was detrimental to the record of the Car Service Department, because the cars would make a loaded haul of 25 or 30 miles, remain at junction station a day or two to be unloaded, be returned to some loading point empty, and remain there a day or two to be loaded again. This also had the effect of forcing more foreign cars on the line to take care of other business.

On account of sharp competition in the matter of quick time in transit, it was found necessary to run a greater number of foreign cars through to destination without transferring, than heretofore, which was an additional factor in increasing the mileage of foreign cars on this line.

Notwithstanding these conditions, which interfered with the good record of the Car Service Department, the performance of the freight equipment for the fiscal year ended June 30th, 1895, compares very favorably with that of the preceding fiscal year when the large increase in volume of business is taken into consideration.

The increase in freight train mileage is only 4.32 per cent. as against an increase of 10.68 per cent. in the total tonnage transported, and an increase of 16.41 per cent. in freight earnings. While the increase in empty car mileage was considerably in excess of the increase in loaded car mileage (due to the adverse

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conditions heretofore mentioned), the increase in total car mileage is 11.20 per cent., which is about the same as the per cent. of increase in total tonnage transported. The per cent. of empty car mileage to total car mileage during the fiscal year ended June 30th, 1895, is 26, as compared with 24 last year, and 23 the year previous to that. The average mileage per car per day by home cars was 24 this year, which is the same as last year and the year before that. The average mileage per car per day of foreign cars on this line was 22 against 19 last year, being an increase of 15.8 per cent.

The other figures in the foregoing table will be found interesting, and a careful perusal of same is invited.

The following table shows the amount earned by St. Louis Southwestern System freight cars on foreign roads, and the amount paid for mileage of foreign cars on this line during the year ended June 30th, 1895, compared with the year ended June 30th, 1894:

DESCRIPTION.	Year ended June 30, 1895.	Year ended June 30, 1894.	Increase.	Decrease.
Amount earned by foreign freight cars on St. L. S. W. R'y—Entire System.	$115,455 80	$101,152 76	$14,303 04	—
Amount earned by St. L. S. W. R'y System freight cars on foreign roads.	60,050 08	62,812 09	—	$2,762 01
Net balance due foreign roads.	$55,405 72	$38,340 67	$17,065 05	—

The figures contained in the foregoing table show an increase of $14,303.04 in mileage of foreign freight cars on this line. Of this increase $5,688.92 was in patent stable cars used in hauling live stock, explained by the fact that the live stock tonnage handled during the fiscal year ended June 30th, 1895, exceeded that of any previous fiscal year. The balance of the increase was mainly due to the large increase in the volume of business, which

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caused a large increase in mileage of foreign cars on this line.

While the revenue earned by this Company's freight cars on foreign roads shows a decrease of $2,762.01, the mileage shows an increase of 328,495 miles. The decrease in revenue is caused by the reduction in the rate of mileage paid and received by foreign lines, which was effected during the fiscal year ended June June 30th, 1895. On August 1st, 1894, the rate of mileage for use of freight cars was reduced from three-fourths of a cent per mile to one-half of a cent per mile. The latter rate was in effect three months, and on November 1st, 1894, the rate was increased to six-tenths of a cent per mile, and has not since been changed.

As compared with the fiscal year ended June 30th, 1893 (a year of prosperity, and, during which period the mileage balance was against this Company, $99,205.78), the figures for the fiscal year ended June 30th, 1895, show a saving of $43,800.06. In making this latter comparison, however, it should be remembered that the figures for the fiscal year ended June 30th, 1895, are based on an increase of 500 new box cars of 60,000 pounds capacity, purchased under car trust agreement, and received during the latter part of June, 1893.

PASSENGER.

A decided improvement has been made in the performance of the passenger equipment, which has caused a substantial decrease in the mileage of home and foreign cars. The decrease in mileage of home cars is the result of cutting out coaches from passenger trains at Mt. Pleasant and Fair Oaks, thus saving the mileage on such coaches between those points.

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MAINTENANCE OF WAY.

ROAD DEPARTMENT.

CHARACTER OF RAIL IN MAIN TRACK, JUNE 30TH, 1895.

LOCATION.	75-lb. Steel. Track Miles.	56-lb. Steel. Track Miles.	35-lb. Steel. Track Miles.	Total Track Miles.
ST. LOUIS SOUTHWESTERN R'Y CO.				
Main Line	4.10	413.90	—	418.00
New Madrid Branch	—	—	5.70	5.70
Delta Branch	—	51.40	—	51.40
Little Rock Branch	—	41.20	.50	41.70
Magnolia Branch	—	.02	6.38	6.40
Shreveport Branch	—	59.50	—	59.50
Total	4.10	566.02	12.58	582.70
ST. LOUIS SOUTHWESTERN R'Y CO. OF TEXAS—				
Main Line	—	258.29	46.31	304.60
Sherman Branch	—	109.90	—	109.90
Ft. Worth Branch	—	97.20	—	97.20
Hillsboro Branch	—	40.00	—	40.00
Total	—	505.39	46.31	551.70
TYLER SOUTHEASTERN R'Y CO.—				
Main Line	—	—	88.60	88.60
ENTIRE SYSTEM	4.10	1,071.41	147.49	1,223.00

The management having adopted as its standard, steel rail weighing 75 pounds to the yard, 1,000 tons of such rail (sufficient to lay about eight track miles) were purchased during the month of June, 1895, to be laid on the main line, Arkansas Division. Before the close of the fiscal year for which this report is made, 4.1 miles of this rail were laid and the remainder has been laid since the close of the fiscal year. The 56-pound rail released will be used for renewals on other portions of the line. A contract has been let for 1,000 tons more of 75-pound rail for renewal purposes, to be delivered in barges at Bird's Point, Mo., as soon as the stage of water in the Ohio River will admit of navigation.

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CHARACTER OF BALLAST IN MAIN TRACK, JUNE 30TH, 1895.

DESCRIPTION.	Ballasted. Track Miles.	Not Ballasted. Track Miles.	Total Track Miles.
ST. LOUIS SOUTHWESTERN R'Y CO.—			
Rock	4.37	—	4.37
Gravel and sand	205.87	—	205.87
Cinders	16.14	—	16.14
Natural soil	—	356.32	356.32
Total	226.38	356.32	582.70
ST. LOUIS SOUTHWESTERN R'Y CO. OF TEXAS—			
Rock	84.36	—	84.36
Gravel and sand	138.00	—	138.00
Cinders	22.15	—	22.15
Natural soil	—	307.19	307.19
Total	244.51	307.19	551.70
TYLER SOUTHEASTERN R'Y CO.—			
Rock	.66	—	.66
Gravel and sand	.06	—	.06
Cinders	1.44	—	1.44
Natural soil	—	86.44	86.44
Total	2.16	86.44	88.60
ENTIRE SYSTEM—			
Rock	89.39	—	89.39
Gravel and sand	343.93	—	343.93
Cinders	39.73	—	39.73
Natural soil	—	749.95	749.95
Total	473.05	749.95	1,223.00

During the year ended June 30th, 1895, 45.9 miles of track have been ballasted, divided between the several companies, as follows: St. Louis Southwestern Railway Co.—rock .3 of one mile, gravel and sand 17.0 miles, cinders 1.3 miles, total 18.6 miles; St. Louis Southwestern Railway Co. of Texas—rock 8.6 miles, gravel and sand 13.3 miles, cinders 5.1 miles, total 27.0 miles; Tyler Southeastern Railway Co.—cinders .3 of one mile.

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Fencing on Right of Way.

Built from July 1st, 1891 to June 30th, 1895.

Location.	Miles of Fence.
St. Louis Southwestern R'y Co.	125.95
St. Louis Southwestern R'y Co. of Texas	36.72
Tyler Southeastern R'y Co.	.27
Entire System	162.94

Of the fencing shown in the foregoing table, there were built during the fiscal year ended June 30th, 1895, 51.47 miles of standard fence on the line of the St. Louis Southwestern Railway, and 30.53 miles on the St. Louis Southwestern Railway of Texas. The fence on the St. Louis Southwestern Railway, built during the year, consists of panels of 8 feet, six barbed wires, and a top of board. The standard Texas fence is built with panels of 16 feet, using four strands of barbed wire. The policy has been to fence those portions of the line where the records of the Stock Claim Department show the heaviest losses for killing stock to have occurred. The reduction in the amount expended on account of loss and damage to live stock in the fenced districts is noticeable, and shows the wisdom of this policy. Believing that economical results could be obtained by contracting out important districts to be fenced, a contract was let to fence the road from Texarkana to Mt. Pleasant, a distance of 61 miles. This work was commenced in July, 1895.

CULVERTS.

On the line of the St. Louis Southwestern Railway, the work of replacing worn out log drains with standard vitrified tile or cast-iron pipe has been continued throughout the year. There

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have been built 108 culverts, aggregating 5,899 linear feet. No general work of replacing worn-out log drains has been undertaken during the year on the lines in Texas, and but 244 linear feet of vitrified pipe culvert have been built. This work will be continued until all old log drains and unnecessary small trestles have been replaced.

BIG CREEK BOTTOM.

MILE POST 281-2, MAIN LINE, ARKANSAS.

A careful study was made of this district where subject to overflow, resulting in the preparation of a general plan for its improvement and control of the flood water, and the work for about half of the distance has been completed. The embankments were widened and raised and the trestle openings adjusted, and it is believed when the improvement is completed across the balance of the bottom, no further trouble will be experienced at this point.

THORNTON HILL.

MILE POST 308-317, MAIN LINE, ARKANSAS.

This location having been selected as the place where about 8 track miles of new standard 75-pound rail should be laid, it became advisable to improve the grade line and bring it within the limit of a one per cent. grade. The work was done by steam shovel, the summit lowered 7 feet, and over 8 miles of line permanently improved; unnecessary trestles were filled, and vitrified tile or cast-iron pipe culverts substituted therefor, and the entire district was fenced.

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ELM FORK OF TRINITY RIVER BOTTOM.

MILE POST C. 604, FT. WORTH BRANCH, TEXAS.

The grade line across this bottom is being gradually improved as the trestles are rebuilt, a general plan for this improvement having been submitted and approved in 1893. Sufficient land has been purchased, and releases from adjoining property owners obtained, to allow the river channel to be regulated. During the fiscal year just ended, trestles 116 and 117 in this bottom were rebuilt, and the track raised to conform with the improvement plan heretofore submitted.

OVERFLOW DISTRICTS.

The improvement of certain districts subject to overflow has been carried on gradually throughout the year, and the advantages derived from the work performed, are noticeable.

MAINTENANCE.

The physical condition of the track has been more than maintained during the past fiscal year. Narrow gauge banks in many places have been widened to standard gauge. The number of cross-ties placed in track exceeded the number placed in track during the fiscal year ended June 30th, 1894, by 45,159 ties. The average number of ties placed in track per mile of road for the entire system was 518 against 481 for the preceding fiscal year. The work of improvement and maintenance carried on during the year, the most of which is in addition to that mentioned in the foregoing remarks, is shown in detail in the following table, which embraces also a comparison with similar work performed during the preceding fiscal year.

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COMPARATIVE STATEMENT OF MAINTENANCE AND IMPROVEMENTS IN ROAD DEPARTMENT,

DURING YEAR ENDED JUNE 30TH, 1895–1894.

CHARACTER OF WORK.	St. L. S. W. R'y Co.		St. L. S. W. R'y Co. of Texas.		T. S. E. R'y Co.		Entire System.	
	Year ended June 30, 1895.	Year ended June 30, 1894.	Year ended June 30, 1895.	Year ended June 30, 1894.	Year ended June 30, 1895.	Year ended June 30, 1894.	Year ended June 30, 1895.	Year ended June 30, 1894.
Miles of track ditched by plow	22.0	1.2	—	55.7	—	—	22.0	56.9
Miles of track ballasted	18.6	22.0	27.0	40.4	.3	.3	45.9	62.7
Miles of track laid with 75-lb. steel	4.1	—	—	—	—	—	4.1	—
Miles of track relaid with 56-lb. steel	—	1.0	1.6	.2	—	—	1.6	1.2
Miles of track relaid with 35-lb. steel	—	—	—	.2	.1	—	.1	.2
Miles of new saw mill spurs, private and side tracks	5.0	6.8	3.5	2.0	.5	.5	9.0	9.3
Miles of old side tracks taken up	4.5	4.9	2.0	2.0	.5	.3	7.0	7.2
Number of cross-ties placed in track	296,044	289,437	299,770	283,245	37,501	15,474	633,315	588,156
Sets of switch ties placed in track	105	83	79	87	9	1	193	171

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Bridge and Building Department.

During the fiscal year ended June 30th, 1895, the work of maintenance and renewals of bridges, trestles and other structures has been carried on steadily. The following table furnishes the location and a description of all permanent spans on June 30th, 1895:

Bridges—Statement of Permanent Spans, June 30th, 1895.

Location.	Mile Post.†	No. of Spans.	Length, Each.	Total Length.	Kind of Structure.	Class.*	Year Built.
St. Louis Southwestern R'y Co.—			Feet.	Feet.			
St. Francis River	70	1	100	100	Plate Girder Draw	A	1892
White River	214.6	1	355	—	Pin Connected Draw	A	1892
" "	214.6	2	125	605	Combination	C	1883
Arkansas River	261	1	65	—	Plate Girder	A	1891
"	261	1	428	—	Pin Connected Draw	A	1891
" "	261	5	200	—	Pin Connected Truss	A	1888
" "	261	1	100	1,593	Pin Connected Truss	A	1891
Saline River	294.5	2	50	—	Plate Girder	A	1890
" "	294.5	1	150	250	Pin Connected Truss	A	1890
Moro River	302.7	1	80	80	Plate Girder	A	1893
Ouachita River	335.9	1	290	290	Pin Connected Draw	A	1891
Red River	396.8	1	300	—	Pin Connected Draw	C	1883
" "	396.8	1	200	—	Pin Connected Truss	A	1888
" "	396.8	1	62	562	Plate Girder	B	1886
Backwater River	I 3	1	100	100	Pin Connected Truss	A	1890
Whitewater River	I 8.2	1	140	140	Pin Connected Truss	A	1890
Castor River	I 19.6	1	130	130	Pin Connected Truss	A	1893
Total	—	23	—	3,850	—	—	—
St. Louis Southwestern R'y Co. of Texas—							
Trinity River	599.3	1	200	200	Pin Connected Truss	A	1890
Tehuacana River	669.8	1	95	95	Plate Girder	A	1893
Brazos River	675.8	3	150	—	Pin Connected Truss	B	1886
" "	675.8	2	54	558	Plate Girder	B	1886
South Bosque River	687.5	1	150	150	Pin Connected Truss	B	1892
Harris Creek	689.5	1	70	70	Plate Girder	A	1890
Leon River, 1st Crossing	706.8	1	125	125	Pin Connected Truss	B	1886
" " 2d Crossing	711.5	1	125	125	Pin Connected Truss	B	1886
Richland Creek	F 647.7	1	125	125	Pin Connected Truss	A	1890
Cedar Creek	D 582.1	1	125	125	Pin Connected Truss	B	1888
Choctaw Creek	D 583.7	1	125	125	Pin Connected Truss	B	1888
East Fork Trinity River	C 574.2	1	97	97	Plate Girder	X	1894
Rowlett's Creek	C 584.5	1	110	110	Pin Connected Truss	X	1894
Spring Creek	C 589.6	1	110	110	Pin Connected Truss	X	1894
Prairie Creek	C 591.5	1	80	80	Riveted Girder	A	1890
White Rock Creek	C 596.1	1	110	110	Pin Connected Truss	X	1894
Total	—	19	—	2,205	—	—	—
Entire System	—	42	—	6,055	—	—	—

†Note.—Location of mile posts; without prefix, Main Line; I, Delta Branch; F, Hillsboro Branch; D, Sherman Branch; C, Ft. Worth Branch.

*Note.—Class A, sufficient to carry two Consolidation engines coupled, followed by a rolling load of 3,000 pounds per linear foot.
Class B, sufficient to carry two Consolidation engines coupled, followed by a rolling load of 2,240 pounds per linear foot.
Class C, sufficient to carry two Mogul engines coupled, followed by a rolling load of 2,000 pounds per linear foot.
Class X, sufficient to carry two Consolidation engines coupled, followed by a rolling load of 3,400 pounds per linear foot.

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The condition of the two combination spans forming the approaches to the draw span at White River, on the main line in Arkansas, was such that it became necessary to remove them as early as possible and substitute for the old wooden bridge seats, permanent substructures. Designs for these spans and substructures were made during the fiscal year just closed, and contracts have since been let to responsible contractors for the completion of the entire work before the approaching winter floods.

The four steel bridges on the Ft. Worth Branch in Texas over East Fork Trinity River, Rowlett's, Spring and White Rock Creeks, which were being constructed at the close of last fiscal year, were satisfactorily completed.

Plans have been prepared for a steel bridge of 152 feet span, resting upon pile bridge seats, to take the place of a trestle crossing the Sabine River on the main line in Texas—the floods in this stream having rendered it necessary to remove the present trestle as early as possible. This work will be completed during the ensuing fiscal year.

BRIDGES—STATEMENT OF TRESTLE BRIDGING.
JUNE 30TH, 1895.

	LENGTH.	
	In Linear Feet.	In Miles.
ST. LOUIS SOUTHWESTERN R'Y CO.—		
Bird's Point Incline	1,326	.25
Bird's Point Section	28,542	5.41
Jonesboro Section	34,905	6.61
Pine Bluff Section	49,948	9.46
Delta Branch	8,380	1.59
Little Rock Branch	4,162	.79
Magnolia Branch	1,167	.22
Shreveport Branch	5,470	1.03
TOTAL	133,900	25.36
ST. LOUIS SOUTHWESTERN R'Y CO. OF TEXAS—		
Texarkana Section	35,866	6.79
Tyler Section	29,182	5.53
Waco Section	3,908	.74
Ft. Worth Branch	19,055	3.61
Sherman Branch	20,047	3.80
Hillsboro Branch	4,598	.87
TOTAL	112,656	21.34
TYLER SOUTHEASTERN R'Y CO.—		
Tyler to Lufkin	13,365	2.53
ENTIRE SYSTEM	259,921	49.23

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The work of maintenance of trestles has been well kept up during the year. On the line of the St. Louis Southwestern Railway 13,040 linear feet, and on the lines in Texas 17,234 linear feet, have been rebuilt with the new standard trestles of the design adopted in 1893.

The policy of filling up all unnecessary trestles and substituting for them vitrified tile or cast iron pipe culverts has been continued throughout the year. On the St. Louis Southwestern Railway 58 trestles, aggregating 1,369 linear feet, have been filled and culverts substituted for them. Seven trestles have been filled and side ditches dug to carry off the water to its natural channel, making a grand total of 65 trestles, aggregating in all 1,639 linear feet which have been filled and removed during the year. In addition to this there were constructed during the year in the Bridge and Building Department yards at Pine Bluff, Ark., 13 small iron girders, ranging from 14 ft. to 18 ft. span, from the material taken from the original spans at Arkansas River, these girders being substituted for wooden trestles. On the lines in Texas but few trestles have been filled up during the past fiscal year.

BUILDINGS, ETC.

In addition to the work on bridges and trestles, the following important work, on buildings and other structures, performed by the Bridge and Building Department forces is worthy of mention:

JONESBORO, ARK.

At this division point a standard coaling station has been erected, containing eight pockets and storage bins holding five hundred tons, a new water service system has been established, new feeding pens with twenty compartments completed, and work commenced on a six-stall addition to the present round-house, replacing seven old narrow-gauge stalls which had become entirely useless.

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BRINKLEY, ARK.

At mile post 198.4 (near Brinkley, Ark., station), a standard coaling station with four pockets has been erected adjoining the main track; also a storage shed with a capacity of six hundred tons. The location and design of this coaling station are such that engines on the main track can take coal and water at the same time without moving.

COMPANY SHOPS, PINE BLUFF, ARK.

A number of minor improvements have been added to the facilities in the yards and buildings at this point, such as the adjustment of tracks, improvement of drainage, and the erection of a coal storage shed with a capacity of one thousand tons. In addition to this, work has been commenced on the transfer pit to substitute permanent brick walls and foundations for the existing timber ones. Plans have been prepared for a brick addition to the present blacksmith shop; this new addition is to be 78 feet 3½ inches long by 79 feet 9 inches wide, with a steel roof truss fitted with cranes and overhead transfer tracks. Plans have also been prepared for a complete water works and sewerage system; this water system is so designed that every important structure on the grounds will be protected by not less than four fire streams throwing two hundred and forty gallons of water each per minute. The water will be furnished from the Company's private supply operated by the Bridge and Building Department. The value of the Company's plant at this point requires that this work should be completed as rapidly as the material can be furnished.

PINE BLUFF, ARK., DEPOT FACILITIES.

A brick combination freight and passenger depot has been erected during the year at Pine Bluff, Ark., and the local yard entirely revised. This work has relieved the cramped situation, and provided facilities very much needed at this important station.

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TEXARKANA, TEXAS.

During the year work was commenced at this point on the following new motive power structures; a ten-stall round-house, turn-table, coaling station, sand house, oil house and office. The increased business of the road has rendered these additional facilities an actual necessity.

COMMERCE, TEXAS.

In line with the improvements inaugurated at this point (which is the junction of the Ft. Worth and Sherman branches) during the preceding fiscal year, there have been completed during the past fiscal year the following structures for the Motive Power and Car Department: a new five-stall round-house, turn-table, office and store room.

GREENVILLE, TEXAS.

Plans were prepared for a joint union depot and other joint depot facilities with the Texas Midland Railroad, at this important station on the Ft. Worth Branch. During the past fiscal year these improvements were commenced, and the work completed in August, 1895.

WATER STATIONS.

During the year two old water tanks on the line of the St. Louis Southwestern Railway have been replaced with standard tanks of 50,000 gallons capacity, one located at Weiner, Ark., and one at Saline, Ark., both on the main line.

At Lewisville, Ark., the junction of the main line and Shreveport branch, the water supply has always been insufficient and unreliable; therefore, during the past year an iron cylinder 7 feet

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in diameter was sunk 65 feet in the ground, this cylinder being made from one of the condemned piers removed from the Arkansas River bridge in 1891. From the bottom of this cylinder, a four-inch well was sunk 354 feet, from which a self-flowing stream of good water has been secured. This water rises to within forty feet of the ground surface, from which point it is pumped into a standard tank, and the water supply is now ample.

At Texarkana, Texas, work has been commenced on a new standard 50,000-gallon tank, in line with the inauguration of other improvements at that point for the Motive Power and Car Department.

At Commerce, Texas, the reservoir was enlarged, the material excavated being used to fill up low places in the yard. By this means the capacity of the reservoir was increased in an economical manner to a total of 6,500,000 gallons, and is now filled with good water for engine service. One of the new standard 50,000-gallon tanks was also erected at this point during the year.

PASSENGER PLATFORMS.

The policy of replacing plank passenger platforms with standard gravel platforms has been continued. During the past year there have been renewed in this manner, 55,740 square feet on the St. Louis Southwestern Railway, and 12,924 square feet on the St. Louis Southwestern Railway of Texas.

MAINTENANCE AND IMPROVEMENTS.

The following table furnishes a summary, by roads, of the work of maintenance and improvements (embracing completed structures, only) in the Bridge and Building Department for the year ended June 30th, 1895:

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MAINTENANCE AND IMPROVEMENTS IN BRIDGE AND BUILDING DEPARTMENT (COMPLETED STRUCTURES, ONLY), YEAR ENDED JUNE 30TH, 1895.

ST. LOUIS SOUTHWESTERN R'Y CO.			Cost.
New wooden trestles	13,040	Linear feet	$51,380 23
Culverts	5,899	Linear feet	13,943 99
Wire fence	51	Miles and 2,512 ft. of fence	11,354 88
Station platforms (wood)	4,656	Square feet	81 97
Station platforms (gravel)	55,740	Square feet	1,888 18
Freight platforms (two)	3,344	Square feet	326 32
Cotton platforms (sixteen)	23,639	Square feet	2,237 58
Cattle guards	110		3,275 14
Stock pens	9		3,086 98
Station buildings	2		2,550 73
Brick combination freight & pass. depot	1		9,022 81
Eating house	1		2,027 10
Baggage room	1		46 83
Station building outhouse	1		68 24
Coaling stations	2		5,558 49
Coal bins	12		619 77
Coal storage shed	1		480 95
Section and bunk house	1		840 81
Section house fences	—		191 93
Oil house (wood)	1		315 40
Sand house	1		377 55
Water stations, tank and tank frames	2		2,358 59
Pump and well houses	4		709 08
Dry shed	1		108 14
Tool house	1		62 07
Hand car house	1		43 24
Turn tables (wood)	2		936 35
Track scales	2		1,167 53
Scale seat	1		231 60
Cradles and aprons (Bird's Point Incline)	2		2,761 36
Mail cranes	4		90 53
Cinder pit, standard pedestal	1		214 21
Farm gates	9		62 15
		Total	$118,420 73

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MAINTENANCE AND IMPROVEMENTS—*Continued.*

ST. LOUIS SOUTHWESTERN R'Y CO. OF TEXAS.			Cost.
New wooden trestles	17,192	Linear feet	$69,455 68
Culverts	244	Linear feet	505 75
Wire fence	30	Miles and 2,842 ft. of fence	5,684 63
Station platforms (wood)	1,848	Square feet	519 84
Station platforms (cinder)	12,924	Square feet	428 71
Cotton platforms (nine)	20,129	Square feet	1,814 62
Cattle guards	170		4,132 69
Stock pens	4		1,037 81
Station buildings	2		1,001 53
Sanitary closets at terminal stations	4		704 75
Steel bridges	4		16,441 64
Round house (wood)	1		3,112 74
Motive power store room and office	2		1,450 40
Oil house (wood)	1		321 71
Cinder pit, standard pedestal	1		235 33
Water tank and frame	1		1,020 56
Pump house and pump house coal bin	1		133 95
Watch house	1		214 50
Car repairers' house	2		231 82
Coal bins	2		57 60
Transfer shed	1		18 27
Track scales (36 ft. 50 tons)	2		571 10
Turn table (wood)	1		725 56
Mail cranes	2		43 00
Park fence	—		245 67
B & B yard fence	—		52 23
Wagon bridges	2		206 54
		Total	$110,368 63

TYLER SOUTHEASTERN R'Y CO.			Cost.
New wooden trestles	42	Linear feet	$ 169 68
Wire fence	1,440	Feet of fence	44 91
Cattle guards	7		205 65
Car repairers' house	1		59 80
Gate	1		4 20
		Total	$ 484 24

ENTIRE SYSTEM	Total	$229,273 60

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MOTIVE POWER AND CAR DEPARTMENT.

The advantages derived from the new car shop buildings, additional shop room and machinery at Pine Bluff, Ark., were made manifest during the past year, by a large increase in the work performed, accompanied by a marked decrease in the expense. The additional Motive Power and Car Department facilities now being provided at Jonesboro, Ark., Texarkana, Texas, and Commerce, Texas, all important junction points, will greatly facilitate the work of ordinary repairs to locomotives and cars. During the past year the following new machinery was purchased for Pine Bluff, Ark., shops: one hydrostatic wheel press, one rotary drill press, one six-spindle drill press, one screw cutting lathe, one single punch and shears, at a total cost of $3,325.85. There was also expended during the past year, for stationary engines, boilers, machinery and fixtures, for the new repair shops at Texarkana, Texas, $3,583.50, and at Commerce, Texas, $5,574.74.

The further improvement of shop facilities, especially at Tyler, Texas, as fast as the finances of the Company will permit, is earnestly recommended by the management.

The following improvements have been made to the Company's equipment during the year; air brakes have been applied to 13 locomotives and 112 freight cars, and automatic couplers to 132 freight cars. One mail and express car and two baggage cars were converted into vestibuled standard railway post-office cars, and these post-office cars were equipped with Pintsch gas, Harrison bag racks and Baker heaters with steam attachments. Engine No. 132, which has been at the bottom of Red River for a number of years, was, after much difficulty, raised out of the river and repaired, thus adding an additional engine to the working equipment of the road, at a total cost of about $3,000.00.

In view of the steady improvement in the roadbed, the use of heavier locomotive equipment is considered more feasible now than in the past. The saving in operating expenses that would

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accrue from the use of heavier modern locomotives, would pay for their first cost in two years, even if nothing could be obtained from the sale of the old locomotives, other than their value as scrap.

The necessity of equipping the Company's locomotives and cars with air brakes and automatic couplers is very urgent, as only two and one-half years remain between the close of the fiscal year for which this report is made and the date the Federal law on this subject goes into effect (January 1st, 1898). The work of equipping locomotives is almost completed, but comparatively few freight cars are so equipped. On June 30th, 1895, there were 8 locomotives and 4,152 freight cars requiring air brakes and 4,118 freight cars requiring automatic couplers. It is estimated that in order to thus equip this rolling stock it will require a monthly expenditure in the neighborhood of $12,000 for the succeeding thirty months, which is about 65 per cent of the present total expenses of the Car Department.

The matter of rebuilding car equipment when destroyed is one of the utmost importance. As stated elsewhere in this report, the following policy has been adopted with respect to destroyed cars. The amount of the net loss and depreciation on destroyed cars at the time of destruction is charged to operating expenses and the value of the cars according to Master Car Builders' rules set aside for rebuilding purposes by crediting the amount to "Equipment Replacement Fund." When such cars are rebuilt, the cost of rebuilding, to the extent of the amount originally credited, is charged against this fund. During the past year there have been rebuilt under this plan, 33 box, 29 furniture, 1 stock, 2 flat and 16 coal cars. This completes all of the box cars that were destroyed since the present Company assumed charge of the property June 1st, 1891. There have been purchased 3 new coaches and 2 new chair cars, and the following additional equipment has been built at the Company's shops, and charged to "Cost of Road and Equipment" account: 1 mail, 1 furniture, 1 incline and 53 box cars.

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Immediately following will be found statements furnishing in detail—first, a list of equipment on hand at the beginning and close of the fiscal year, with changes during the year; second, equipment purchased, built and rebuilt, and cost of same; third, repairs and maintenance of equipment; fourth, condition of equipment by months; fifth, performance and cost of operating locomotives:

STATEMENT OF EQUIPMENT—ENTIRE SYSTEM.

CLASS.	On Hand June 30, 1894.	Changes During Year.						On Hand June 30, 1895.
		Purchased.	Built and Rebuilt.	Destroyed.	Sold.	Changed.		
						From	To	
LOCOMOTIVES—								
Standard Gauge	130	—	—	—	1	—	—	129
Narrow Gauge	8	—	—	—	—	—	—	8
Total	138	—	—	—	1	—	—	137
PASSENGER CARS—								
Official . . . . . Standard Gauge	4	—	—	—	—	—	—	4
Chair . . . . . Standard Gauge	7	2	—	—	—	—	—	9
Coaches . . . . . Standard Gauge	45	3	—	—	—	—	1	49
Coaches . . . . . Narrow Gauge	4	—	—	—	—	1	—	3
Combination . . . . Standard Gauge	2	—	—	1	—	—	2	3
Baggage and Exp. . Standard Gauge	10	—	—	2	—	3	—	5
Mail and Express . . Standard Gauge	17	—	1	—	—	1	1	18
Mail and Express . . . Narrow Gauge	2	—	—	—	—	1	—	1
Mail . . . . . Standard Gauge	—	—	—	—	—	—	3	3
Total	91	5	1	3	—	6	7	95
FREIGHT CARS—								
Refrigerator . . . . . Standard Gauge	25	—	—	—	—	—	—	25
Furniture . . . . . Standard Gauge	70	—	30	—	—	—	—	100
Caboose . . . . . Standard Gauge	70	—	—	—	—	—	—	70
Caboose . . . . . Narrow Gauge	2	—	—	—	—	—	—	2
Box . . . . . Standard Gauge	2,363	—	86	31	—	3	—	2,415
Box . . . . . Narrow Gauge	93	—	—	4	—	—	3	92
Stock . . . . . Standard Gauge	322	—	1	12	—	—	—	311
Stock . . . . . Narrow Gauge	8	—	—	—	—	3	—	5
Flat . . . . . Standard Gauge	815	—	3	34	1	1	—	782
Flat . . . . . Narrow Gauge	98	—	—	13	—	—	4	89
Coal . . . . . Standard Gauge	509	—	16	20	—	—	—	505
Derricks	2	—	—	—	—	—	—	2
Steam Shovels	2	—	—	—	—	—	—	2
Total	4,379	—	136	114	1	7	7	4,400

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Statement of New Equipment Purchased and Equipment Built and Rebuilt at Company Shops.

Year Ended June 30th, 1895.

Class of Equipment.	New Equipment Purchased.		Additional Equipment Built, charged to Equipment Account (New).		Wrecked and Destroyed Equipment Rebuilt, charged to Equipment Replacement Fund.		Total.	
	No.	Cost.	No.	Cost.	No.	Cost.	No.	Cost.
Passenger Cars	3	$24,440 00	—	—	—	—	3	$24,440 00
Chair Cars	2		—	—	—	—	2	
Mail Cars	—	—	1	$ 2,362 80	—	—	1	2,362 80
Furniture Cars	—	—	1	654 11	29	$17,047 18	30	17,701 29
Box Cars	—	—	53	24,622 60	33	15,780 54	86	40,403 14
Stock Cars	—	—	—	—	1	376 19	1	376 19
Flat Cars	—	—	—	—	2	497 97	2	497 97
Coal Cars	—	—	—	—	16	5,223 00	16	5,223 00
Incline Cars	—	—	1	405 16	—	—	1	405 16
Total	5	$24,440 00	56	$28,044 67	81	$38,924 88	142	$91,409 55

Repairs and Maintenance of Equipment—Entire System.

Item.	Year ended June 30, 1895.		Year ended June 30, 1894.		Increase.		Decrease.	
	No.	Cost.	No.	Cost.	No.	Cost.	No.	Cost.
Locomotives.								
Running Repairs	1,220	$62,646 25	1,232	$60,666 39	—	$ 1,979 86	12	—
Light Repairs	182	25,545 89	197	27,112 93	—	—	15	$1,567 04
Heavy Repairs	63	31,218 25	60	30,446 47	3	771 78	—	—
General Repairs	29	37,988 33	26	27,585 28	3	10,403 05	—	—
Rebuilding	16	29,865 28	15	26,787 49	1	3,077 79	—	—
Total	1,510	$187,264 00	1,530	$172,598 56	7	$16,232 48	27	$ 1,567 04
Passenger Cars.								
Running Repairs	561	$ 7,563 64	588	$ 6,956 76	—	$ 606 88	27	—
Light Repairs	222	15,393 62	166	9,462 71	56	5,930 91	—	—
Heavy Repairs	28	10,360 05	12	6,975 90	16	3,384 15	—	—
General Repairs	7	7,963 68	5	7,542 13	2	421 55	—	—
Rebuilding	6	12,731 42	13	28,382 49	—	—	7	$15,651 07
Total	824	$54,012 41	784	$59,319 99	74	$10,343 49	34	$15,651 07
Freight Cars.								
Running Repairs	48,683	$ 94,169 03	40,968	$89,480 24	7,715	$ 4,688 79	—	—
Light Repairs	737	12,036 89	1,208	19,539 77	—	—	471	$ 7,502 88
Heavy Repairs	719	28,000 20	882	35,349 10	—	—	163	7,348 90
General Repairs	247	20,160 39	238	19,596 26	9	564 13	—	—
Rebuilding	55	7,196 71	84	10,684 32	—	—	29	3,487 61
Total	50,441	$161,563 22	43,380	$174,649 69	7,724	$ 5,252 92	663	$18,339 39
Entire Cost	—	$402,839 63	—	$406,568 24	—	—	—	$ 3,728 61

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Condition of Equipment by Months during the Year—Entire System.

Months Ended.	Locomotives.		Passenger Cars.	
	Number Requiring Repairs.	Estimated Cost of Repairs Required.	Number Requiring Repairs.	Estimated Cost of Repairs Required.
July 1, 1894	47	$40,310 00	49	$4,900 00
July 31, 1894	46	39,710 00	46	4,950 00
August 31, 1894	41	35,340 00	32	3,425 00
September 30, 1894	33	24,640 00	30	5,085 00
October 31, 1894	30	20,240 00	27	3,800 00
November 30, 1894	37	21,000 00	24	2,475 00
December 31, 1894	31	18,900 00	28	3,250 00
January 31, 1895	37	27,550 00	33	3,500 00
February 28, 1895	38	27,650 00	39	5,225 00
March 31, 1895	36	38,400 00	36	5,125 00
April 30, 1895	43	34,225 00	37	4,025 00
May 31, 1895	42	41,300 00	36	6,400 00
June 30, 1895	42	45,200 00	34	3,575 00

Months Ended.	Freight Cars.				
	Number Owned.	Bad Order.		In Service.	
		Number.	Per Cent.	Number.	Per Cent.
July 1, 1894	4,384	153	3.49	4,231	96.51
July 31, 1894	4,379	152	3.47	4,227	96.53
August 31, 1894	4,367	153	3.51	4,214	96.49
September 30, 1894	4,364	107	2.45	4,257	97.55
October 31, 1894	4,353	93	2.10	4,260	97.90
November 30, 1894	4,359	139	3.19	4,220	96.81
December 31, 1894	4,364	99	2.27	4,265	97.73
January 31, 1895	4,366	101	2.31	4,265	97.69
February 28, 1895	4,372	84	1.92	4,288	98.08
March 31, 1895	4,388	97	2.21	4,291	97.79
April 30, 1895	4,395	134	3.05	4,261	96.95
May 31, 1895	4,392	134	3.05	4,258	96.95
June 30, 1895	4,400	146	3.32	4,254	96.68

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PERFORMANCE AND COST OF OPERATING LOCOMOTIVES—ENTIRE SYSTEM.

ITEM.	Year ended June 30, 1895.	Year ended June 30, 1894.	Increase.	Decrease.
MILEAGE—				
Passenger	1,378,337	1,321,109	57,228	—
Freight	1,920,525	1,836,875	83,650	—
Switch	836,407	776,392	60,015	—
Work	130,987	102,153	28,834	—
Other service	87,092	67,862	19,230	—
Total	4,353,348	4,104,391	248,957	—
SUPPLIES USED—				
Tons of coal	151,525	149,331	2,194	—
Pints of lubricating oil	276,427	273,700	2,727	—
Pints of all oil	390,005	369,439	20,566	—
Pounds of waste	33,150	27,926	5,224	—
MILES RUN—				
Per ton of coal	28.73	27.49	1.24	—
Per pint of lubricating oil	15.74	15.00	.74	—
Per pint of all oil	11.16	11.11	.05	—
Per pound of waste	131.30	147.00	—	15.70
COST OF OPERATING—				
Repairs	$188,888 00	$172,597 56	$16,290 44	—
Stores	12,263 31	12,168 47	94 84	—
Fuel	321,102 37	346,859 29	—	$25,756 92
Engineers and firemen	266,386 27	255,056 98	11,329 29	—
Wiping and dispatching	49,676 35	47,545 47	2,130 88	—
Other motive power accounts	3,209 46	3,236 54	—	27 08
Total	$841,525 76	$837,464 31	$ 4,061 45	—
AVERAGE COST PER MILE—				
Repairs	$0 0434	$0 0425	$0 0009	—
Stores	0 0028	0 0029	—	$0 0001
Fuel	0 0738	0 0845	—	0 0107
Engineers and firemen	0 0612	0 0621	—	0 0009
Wiping and dispatching	0 0114	0 0116	—	0 0002
Other motive power accounts	0 0007	0 0008	—	0 0001
Total	$0 1933	$0 2044	—	$0 0111
Average number of engines in service monthly	116	113	3	—
Average monthly mileage per engine	3,127	3,027	100	—

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FUEL SUPPLY.

COMPARATIVE STATEMENT OF COAL PURCHASED AND CONSUMED DURING YEARS ENDED JUNE 30TH, 1895-1894. ENTIRE SYSTEM.

ITEM.	Year ended June 30, 1895.	Year ended June 30, 1894.	Increase.	Decrease.
PURCHASED—				
No. of tons purchased	164,168	151,205	12,963	—
Total cost of coal purchased, excluding company freight . . .	$311,561 22	$211,708 19	$99,853 03	—
Amount of company freight included in cost of coal purchased	7,411 31	114,467 84	—	$107,056 53
Total cost of coal purchased, including company freight . . .	318,972 53	326,176 03	—	7,203 50
Average cost of coal per ton, excluding company freight . . .	$1 90	$1 40	$0 50	—
Average cost of coal per ton delivered on line, including company freight	$1 94	$2 16	—	$0 22
CONSUMED—				
No. of tons consumed	158,426	155,340	3,086	—
Total cost of coal consumed, excluding expense of handling .	$307,213 28	$330,445 98	—	$23,232 70
Total expense of handling coal consumed	$24,908 32	$26,894 36	—	$1,986 04
Average expense per ton of handling coal consumed	15.72 cents.	17.31 cents.	—	1.59 cents.
Total cost of coal consumed including expense of handling . . .	$332,121 60	$357,340 34	—	$25,218 74
Average cost of coal consumed per ton, including expense of handling	$2 10	$2 30	—	$0 20

Compared with results for the preceding fiscal year, the average cost of coal per ton, excluding Company freight, shows an increase of 50 cents, but the average cost of coal per ton delivered on line, including Company freight, shows a decrease of 22 cents. This is explained by the large decrease in the amount of Com-

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pany freight included in cost of coal purchased shown in the foregoing table.

Heretofore, it has been the policy of the Company to purchase a large proportion of the coal used in Texas from the Illinois mines, thus giving the St. Louis Southwestern Railway Company the benefit of the haul from Cairo to Texarkana instead of paying out large sums for freight earnings on Company coal to foreign railroads. During the coal strike, which was inaugurated about May 1st, 1894, and the strike of the American Railway Union, which followed in July, 1894, it was found necessary to temporarily abandon the practice of purchasing coal for the lines in Texas from the Illinois mines, and to purchase such coal elsewhere. Accordingly, arrangements were made to procure coal from mines in the Indian Territory and in Texas, delivered at various points on this line in Texas, which proved so satisfactory that such arrangements have been continued throughout the year. This avoided the long haul of Company coal from Illinois to Texas, thus releasing cars that had been used in hauling Company coal to be utilized in moving commercial freight, a branch of the service in which cars were needed very much owing to the heavy freight traffic that prevailed during the greater portion of the year. The foregoing will account for the small amount of Company freight on coal during the year ended June 30th, 1895, as well as for the large increase in the cost of coal per ton excluding Company freight.

The decrease in the average cost per ton of coal purchased, including Company freight, is 22 cents, while the decrease in the average cost of coal consumed, including Company freight and expense of handling, is 20 cents. The decrease in the cost per ton of coal consumed did not keep pace with the decrease in the cost per ton of coal purchased, because the greater portion of the high priced coal that was purchased in June, 1894, before the close of the preceding fiscal year, was consumed in July and August, 1894.

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The total expense of handling the 158,426 tons of coal consumed during the year ended June 30th, 1895, was $24,908.32, or an average of 15.72 cents per ton. The total cost of handling the 155,340 tons consumed during the year ended June 30th, 1894, was $26,894.36, or an average of 17.31 cents per ton. It will thus be seen that the expense of handling coal during the fiscal year ended June 30th, 1895, has decreased 1.59 cents per ton as compared with the previous fiscal year, which is the result of improved facilities for handling coal in the way of new coal chutes and hoists.

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ENGINEERING DEPARTMENT.

The records of the Engineering Department have been gradually increased during the year. Much special information and many valuable drawings and plans have been filed in the permanent records.

No important right-of-way claims have arisen during the year. Shortly before the close of the fiscal year, a land line party was organized in Texas for the purpose of determining the various land and individual property lines, on the main line of the St. Louis Southwestern Railway of Texas, between Tyler and Gatesville. From the information thus obtained a right-of-way map will be prepared.

IMPORTANT ENGINEERING WORK PERFORMED.

The following important engineering work has been performed during the fiscal year ended June 30th, 1895, in addition to that mentioned elsewhere in this report in connection with improvements and maintenance of the Road and the Bridge and Building Departments:

ST. LOUIS SOUTHWESTERN RAILWAY COMPANY.

SECTION.	CHARACTER OF WORK.
PINE BLUFF . . .	Bodcaw Creek, mile post 386, Main Line, Arkansas: The long trestle crossing Bodcaw Creek required rebuilding during the year, and as this bottom is subject at times to overflow, the opportunity was taken to raise the height of the trestle above flood height, and the embankment at the south end of the bottom was also raised to correspond. Red River Bottom, mile post 397 to 404, Main Line, Arkansas: The remaining portions of the old embankment under the extended trestles were removed, leaving a free and unobstructed passage for the flood water.

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IMPORTANT ENGINEERING WORK—*Continued.*

ST. LOUIS SOUTHWESTERN RAILWAY COMPANY.

SECTION.	CHARACTER OF WORK.
DELTA	Trestles Nos. 26 and 28, between mile posts I 19 and I 20 Missouri: These trestles form a portion of the approach to Castor River, but the experience of the past several years having shown them to be unnecessary, preparations were made to fill them, the work of filling now being done by the Road Department forces, otherwise it would have been necessary to rebuild these trestles during the ensuing year.
SHREVEPORT . .	Shreveport, La., Yard: It was deemed advisable, owing to the cramped facilities and the necessity of retaining all privileges which the City of Shreveport had granted some years ago by ordinance, to grade down that portion of the Company's property lying between its switching yard and the line of Commerce Street, and to occupy, with two additional tracks, that portion of Commerce Street stated in the ordinance. This work has been completed and it is now possible to lay several more valuable tracks at this important point.

ST. LOUIS SOUTHWESTERN RAILWAY COMPANY OF TEXAS.

SECTION.	CHARACTER OF WORK.
TEXARKANA . . .	Texarkana, Texas: A design for a new motive power yard was prepared, forty-seven acres of land purchased and work commenced on improvements; this included raising grade and the laying of a second track from the old yard to the new motive power yard.
FT. WORTH . . .	Commerce: Work was commenced on the motive power yard in accordance with the approved design of last year and such work performed as was necessary to provide for actual present necessities. Sabine Bottom: The embankments across this bottom were raised and the trestles adjusted for the flood water. This is in line with the general improvement plan, although the entire design has not yet been carried out.

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IMPORTANT ENGINEERING WORK—*Continued.*

TYLER SOUTHEASTERN RAILWAY COMPANY.

SECTION.	CHARACTER OF WORK.
	CHANGE OF GAUGE.
ENTIRE LINE . .	During the preceding fiscal year, an examination of the Tyler Southeastern Railway was made for the purpose of estimating the cost of changing the gauge from the width of 3 feet to the standard of 4 feet 8½ inches. A report containing an estimate of the cost of the change was submitted during the past fiscal year, and the work of widening and preparing cuts and embankments was commenced in February, 1895. Up to the close of the fiscal year, June 30th, 1895, there had been expended for widening and preparing cuts and embankments, $10,649.02; for spikes, $1,860.00; for changing freight cars, $4,934.22; and for changing hand cars, $315.43, making a total expenditure on this account, to June 30th, 1895, of $17,758.67. Since the close of the past fiscal year, the gauge has been changed, the work having been completed on August 31st, 1895, and on September 1st, 1895, standard gauge trains commenced running over the road. Considerable work yet remains to be done in widening and preparing cuts and embankments, although the work in the most important places has been completed. All renewals of ties for several years past have been made with standard gauge ties, therefore, at the date of actual change, the road was comparatively well laid with standard gauge ties. The change in bearing has made it necessary to put in quite a number of additional ties, and this work will be continued for several months. All narrow gauge equipment in serviceable condition, will be changed to standard gauge. The widening of the gauge of the Tyler Southeastern Railway, makes the entire System the standard of 4 feet 8½ inches. It will result in a large saving in operating expenses by doing away with the necessity of transferring freight, and by the consolidation of shop and office forces, and will also greatly stimulate the lumber and other business interests located on the line. If the road should be extended to Rockland, a distance of about thirty miles, it would penetrate the finest long leaf pine district in the State, and a number of mills would be established at once.

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TELEGRAPH DEPARTMENT.

Entire System.

The telegraph wires are operated jointly by the Western Union Telegraph Company and this Company.

Owing to the demands of increasing business, it became necessary during the fiscal year ended June 30th, 1895, to erect an exclusive railroad telegraph wire on the Sherman Branch in Texas, between Mt. Pleasant and Commerce, increasing the number of miles of wire owned by the Railroad Company fifty-seven miles.

The following table shows the mileage of telegraph lines and wires operated, also a statement of the expense of operation and repairs in this department, for the fiscal year ended June 30th, 1895, as compared with the preceding fiscal year:

Description.	Year ended June 30, 1895.	Year ended June 30, 1894.	Increase.		Decrease.	
Mileage—						
Owned by this Company.						
Miles of Line	1,223.0	1,223.0	—		—	
Miles of Wire (on poles owned by W. U. Tel. Co.)	1,013.0	956.0	57.0		—	
Owned by Western Union Tel. Co.						
Miles of Line	1,223.0	1,223.0	—		—	
Miles of Wire	2,808.0	2,808.0	—		—	
			Increase.	Per Cent.	Decrease.	Per Cent.
Expenses—						
Salaries of Telegraph operators	$61,282 37	$60,700 09	$582 28	.96	—	—
Supplies used by operators	1,300 76	1,672 71	—	—	$371 95	22.24
Repairs of Telegraph Line	4,685 62	4,029 01	656 61	16.30	—	—
Totals	$67,268 75	$66,401 81	$866 94	1.31	—	—

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HOSPITAL SERVICE.

The hospital service has been efficiently and economically managed during the fiscal year ended June 30th, 1895, the contributions from employes continuing sufficient for the maintenance of this department.

Briefly summarized, the operations in this department, during the past fiscal year, are as follows:

Patients in Hospital at last report	36	
Patients admitted during the year	1381	
		1417
Number discharged	1360	
Number of deaths	10	
Patients remaining in Hospital June 30th, 1895	47	
		1417
Number of dispensary cases treated at Cairo, Jonesboro, Pine Bluff, Waco and Tyler, during the year		5223
Total number of employes receiving hospital benefits		6640

Based on the number of patients treated in the Hospital at Tyler, Texas, the death rate was .7 of one per cent., against 1.06 per cent. for the preceding year.

The emergency station at Pine Bluff, Ark., was closed January 1st, 1895, and arrangements made with a local drug firm to fill prescriptions, thereby effecting a saving at that point of about $200.00 per month.

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GENERAL REMARKS.

Comparative statistical and analytical data appertaining to the operations of the property for the past seven years, and Income and Financial Exhibits for each of the separate corporations forming your system of railways for the fiscal year ended June 30th, 1895, will be found in the Appendix to this Report.

Inspection of the detailed exhibits of the several departments will demonstrate that the road and its equipment have been much improved, and many permanent betterments added during the year. It is the policy of the management to dispose of light power and rail whenever a favorable opportunity offers, and to replace these with heavier power and rail; to continue the work of ballasting with rock and gravel, reducing grades whenever practicable, etc., all of which tends to the reduction of operating expenses; conducive also to that result being the adoption recently of 75-lb. section of steel rail as the standard.

Rates were generally well maintained in the Southwestern territory until about June 1st, 1895, when demoralization set in, and continued for more than thirty days. It seems to be the policy of some roads to seek a pretext once or twice a year for carrying both freight and passengers at greatly reduced and unremunerative rates. The public as a whole is not benefited, and only the financially strong concerns and individuals can take advantage of these temporary low rates by making large shipments, thus enabling them to undersell their weaker competitors, and either drive them out of business, or into bankruptcy, or both. The public is interested only in the maintenance of uniform, reasonable rates. Experience has demonstrated that rates cannot be uniformly maintained without an amendment to the Interstate Commerce Act permitting pooling under reasonable

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restrictions. It is earnestly hoped and confidently expected that Congress will pass such an act in the near future.

The yield of corn, fruit and vegetables in the section of country traversed by these lines during the season of 1895 is the largest ever produced. This has been caused by the favorable season, increase in population, and the determination on the part of the Southern people to produce their own bread and meat and other family supplies at home.

On account of the low price of cotton that has prevailed for the past two seasons, it was recommended by the American Cotton Growers' Association, through its President, the Hon. Hector D. Lane, of Alabama, that the cotton acreage be diminished. This recommendation was acquiesced in by the planters, and it is estimated that the cotton acreage of the United States for the present season was reduced about ten or fifteen per cent. This, in connection with an unfavorable season for the growth and development of the plant, it is estimated, will reduce the yield in the section of country tributary to these lines, about one-third. This reduction in cotton tonnage and revenue derived therefrom, it is believed, will be largely overcome by increases in other commodities, and in the general improvement in the business of the country.

The necessity for the change of gauge from narrow to standard of the Tyler Southeastern Ry. was so apparent that this work was ordered to be commenced in the early spring, and continued until completed, September 1st, 1895. For the past five years all renewals of ties, bridges, culverts, etc., have been of standard gauge. The amount of money expended for this purpose during the fiscal year ended June 30th, 1895, is charged to Operating Expenses, but is explicitly stated.

It is again recommended that your Company build a short line of fourteen miles to the city of Dallas, Texas; and that the Hillsboro (Texas) line be extended to Whitney, a distance of thirteen miles, making connections at that point with the Texas

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Central. The Tyler Southeastern should be extended through the long-leaf pine forests at least twenty miles in the direction of Sabine Pass.

Arrangements have been perfected by which your Company will have another and desirable outlet for its business (particularly lumber and cotton) by way of Delta, Cape Girardeau, Mo., and the Chicago, Paducah and Memphis, and Chicago and Texas railroads to a connection with the Wabash at Altamont, Ill. It is believed that the opening of this new line will add much to the value of your property.

Emigration from the Northwest as well as from the Southeast continues to move into the country contiguous to your lines of railway, and the general improvement in the development of the Southwest continues.

The relations between the employes and the management are of the most pleasant character, and in the face of a reduction in wages which prevailed during the fiscal year 1894-95, better results were obtained than in any previous year in the road's history. I am pleased in this connection to accord the thanks of the management to the various heads of departments, and through them to their assistants and employes, for the faithful performance of their respective duties. You will doubtless be pleased to know that a Savings Association has been organized and incorporated under the laws of the State of Arkansas by the employes of your Company, for the sole purpose of investing their earnings in the securities of your railway, and many thousands of dollars are now invested by them in these securities.

The future prospects for the property predicted in the preceding annual report have so far been more than realized.

Very respectfully,

S. W. FORDYCE,

President.

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APPENDIX.

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Comparative Statistics.

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I.

GROSS EARNINGS BY MONTHS—ENTIRE SYSTEM—FOR SEVEN YEARS ENDED JUNE 30TH, 1895.

Miles Operated	1,187.8	1,222.1	1,222.1	1,222.1	1,223.0	1,223.0	1,223.0
MONTHS.	Year ended June 30, 1889.	Year ended June 30, 1890.	Year ended June 30, 1891.	Year ended June 30, 1892.	Year ended June 30, 1893.	Year ended June 30, 1894.	Year ended June 30, 1895.
July	$227,185 56	$271,562 08	$307,325 18	$324,298 18	$354,601 61	$320,026 35	$275,797 70
August	281,109 03	336,852 61	363,236 99	349,459 69	400,501 81	314,563 31	369,235 53
September	296,288 22	388,583 27	386,613 27	447,131 11	422,729 36	370,213 03	419,107 34
October	383,716 55	526,305 37	490,964 07	577,267 39	499,771 72	551,772 52	652,658 83
November	335,867 73	470,882 71	423,640 50	505,755 47	483,181 59	560,788 30	611,579 10
December	364,939 84	502,859 68	466,675 64	480,582 10	532,079 71	528,278 31	556,681 55
January	274,639 75	375,619 94	350,257 77	351,874 29	435,902 80	365,846 06	454,461 23
February	256,538 27	305,244 13	347,040 49	371,799 21	421,309 29	338,179 52	392,613 07
March	248,017 76	270,911 48	336,418 32	331,973 06	444,082 75	364,510 78	399,382 59
April	225,467 82	259,872 69	287,949 84	302,678 41	411,625 08	325,194 01	355,762 02
May	241,164 77	290,927 39	285,374 21	303,382 48	368,900 01	295,704 99	363,996 30
June	242,902 73	262,292 02	276,044 84	292,042 73	341,394 52	280,067 02	365,899 31
Total	$3,377,838 03	$4,261,913 37	$4,321,541 12	$4,638,244 12	$5,116,080 25	$4,615,144 20	$5,217,174 57

II.

OPERATING EXPENSES BY MONTHS—ENTIRE SYSTEM—FOR SEVEN YEARS ENDED JUNE 30TH, 1895.

(INCLUDING BETTERMENTS.)

July	$268,005 81	$213,636 22	$391,866 86	$296,154 97	$321,182 48	$326,265 30	$251,416 72
August	391,428 03	273,167 79	435,893 60	307,242 86	329,611 80	296,018 35	293,206 49
September	354,923 07	275,673 26	467,372 22	324,218 42	345,822 80	325,068 92	329,878 30
October	332,419 42	327,715 35	458,578 19	344,286 45	372,650 80	347,926 63	349,305 75
November	357,326 20	390,718 64	491,423 20	365,452 65	345,638 17	368,867 41	371,406 80
December	296,190 18	412,154 08	454,983 05	326,273 76	351,817 56	364,409 28	352,112 92
January	279,280 66	376,143 21	397,411 95	345,876 15	342,799 14	328,979 55	317,968 58
February	251,190 16	362,250 09	383,419 09	319,060 32	382,080 88	323,707 58	323,266 26
March	216,752 64	313,197 91	363,245 10	285,258 03	382,773 61	306,640 07	317,689 28
April	208,521 70	346,374 66	341,447 68	297,324 75	403,469 21	324,408 76	340,503 69
May	239,683 37	373,459 09	322,235 02	296,765 42	363,432 47	289,903 22	347,544 55
June	208,794 81	370,960 79	339,664 91	318,162 87	340,553 95	271,583 07	382,921 75
Total	$3,404,516 05	$4,035,451 09	$4,847,540 87	$3,826,076 65	$4,281,832 87	$3,873,778 14	$3,977,221 09

NOTE.—The figures given in the foregoing tables up to June 1st, 1891, are results of operation of the property by the St. Louis, Arkansas & Texas Ry. Cos. and the Receivers thereof. The expenditures for Betterments during the Receivership were authorized, and special provision for their payment was made, by the United States Court, as well as for the amount of Interest on Bonds and other fixed charges, in excess of the Net Earnings.

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III.

Net Earnings by Months—Entire System—For Seven Years ended June 30th, 1895.

Miles Operated	1,187.8	1,222.1	1,222.1	1,222.1	1,223.0	1,223.0	1,223.0
Months.	Year ended June 30, 1889.	Year ended June 30, 1890.	Year ended June 30, 1891.	Year ended June 30, 1892.	Year ended June 30, 1893.	Year ended June 30, 1894.	Year ended June 30, 1895.
July	$ 40,820 25	$ 57,925 86	$ 84,541 68	$ 28,143 21	$ 33,419 13	$ 6,238 95	$ 24,380 98
August	110,319 00	63,684 82	72,656 61	42,216 83	70,890 01	18,544 96	76,029 04
September	58,634 85	112,910 01	80,758 95	122,912 69	76,906 56	45,144 11	89,229 04
October	51,297 13	198,590 02	32,385 88	232,980 94	127,120 92	203,845 89	303,353 08
November	21,458 47	80,164 07	67,782 70	140,302 82	137,543 42	191,920 89	240,172 30
December	68,749 66	90,705 60	11,692 59	154,308 34	180,262 15	163,869 03	204,568 63
January	4,840 91	523 27	47,154 18	5,998 14	93,103 66	36,866 51	136,492 65
February	5,348 11	57,065 98	36,378 60	52,738 89	39,228 41	14,471 94	69,346 81
March	31,265 12	42,286 43	26,826 78	46,715 03	61,309 14	57,870 71	81,693 31
April	16,946 12	86,501 97	53,497 84	5,353 66	8,155 87	785 25	15,258 33
May	1,481 40	82,531 70	36,890 81	6,617 06	5,467 54	5,801 77	16,451 75
June	34,107 92	108,668 77	63,620 07	26,120 14	840 57	8,483 95	17,022 44
Total	$26,678 02	$226,462 28	$525,999 75	$812,167 47	$834,247 38	$741,366 06	$1,239,953 48

Note.—Heavy-faced type denotes deficit.

IV.

Betterments (included in Operating Expenses) by Months—Entire System—For Seven Years ended June 30th, 1895.

July	$ 28,054 58	$ 6,410 97	$105,977 24	$ 14,233 32	$ 5,821 59	$ 12,449 74	$ 2,470 35
August	106,594 56	15,537 73	130,217 73	5,425 10	12,187 11	9,270 84	6,797 15
September	50,793 44	20,820 73	135,989 30	12,785 29	14,273 52	22,056 61	26,575 33
October	42,856 25	44,060 98	121,822 84	13,085 61	31,011 67	7,247 99	7,503 94
November	45,979 39	69,881 33	162,516 34	15,554 09	8,387 78	7,864 46	15,060 39
December	39,591 21	99,898 73	142,165 81	3,430 31	15,938 67	7,566 91	16,313 48
January	6,377 85	101,542 44	72,846 23	34,794 14	9,622 78	6,175 30	10,463 97
February	15,677 51	88,966 51	66,220 34	16,425 21	17,660 45	8,548 35	10,350 83
March	3,810 03	60,914 65	41,018 92	3,819 47	23,706 44	8,197 14	11,162 50
April	5,554 76	95,208 57	35,495 09	—	20,535 85	11,219 94	15,610 74
May	29,728 83	83,754 29	22,206 17	4,282 55	10,412 92	6,536 75	20,191 98
June	6,202 74	99,160 68	52,683 82	5,431 62	13,106 28	6,413 78	54,585 67
Total	$381,221 15	$786,157 61	$1,089,159 83	$129,266 71	$182,665 06	$113,547 81	$197,086 33

Note.—The figures given in the foregoing tables up to June 1st, 1891, are results of operation of the property by the St. Louis, Arkansas & Texas Ry. Cos. and the Receivers thereof. The expenditures for Betterments during the Receivership were authorized, and special provision for their payment was made, by the United States Court, as well as for the amount of Interest on Bonds and other fixed charges, in excess of the Net Earnings.

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V.

Summary of Financial Results from Operation

For Seven Years ended June 30th, 1895—Entire System.

Fiscal Year ended June 30th.	Miles Operated.	Gross Earnings.	Operating Expenses. (Including Betterments.) Amount.	Operating Expenses. (Including Betterments.) Per Cent. of Gross Earnings	Net Earnings.	All Other Receipts.	Total Income.	Fixed and Other Charges Against Income.	Balance. Surplus.	Balance. Deficit.
1889	1,187.8	$3,377,838 03	$3,404,516 05	100.79	**$ 26,678 02**	$ 875 00	**$ 25,803 02**	$1,010,330 55	—	$1,036,133 57
1890	1,222.1	4,261,913 37	4,035,451 09	94.69	226,462 28	89,741 44	316,203 72	1,219,034 60	—	902,830 88
1891	1,222.1	4,321,541 12	4,847,540 87	112.17	**525,999 75**	67,222 35	**458,777 40**	1,094,096 20	—	1,552,873 60
1892	1,222.1	4,638,244 12	3,826,076 65	82.49	812,167 47	125,099 05	937,266 52	917,574 04	$ 19,692 48	—
1893	1,223.0	5,116,080 25	4,281,832 87	83.69	834,247 38	69,135 93	903,383 31	949,767 32	—	46,384 01
1894	1,223.0	4,615,144 20	3,873,778 14	83.94	741,366 06	31,030 61	772,396 67	970,165 13	—	197,768 46
1895	1,223.0	5,217,174 57	3,977,221 09	76.23	1,239,953 48	24,319 19	1,264,272 67	958,083 19	306,189 48	—

NOTE.—The figures given in the foregoing table up to June 1st, 1891, are results of operation of the property by the St. Louis, Arkansas & Texas R'y Cos. and the Receivers thereof. The expenditures for Betterments during the Receivership were authorized, and special provision for their payment was made, by the United States Court, as well as for the amount of Interest on Bonds and other fixed charges, in excess of the Net Earnings.

Heavy-faced type denotes deficit.

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VI.

TRAFFIC STATISTICS FOR SEVEN YEARS ENDED JUNE 30TH, 1895—ENTIRE SYSTEM.

FREIGHT.

Fiscal Year ended June 30.	Miles Operated.	Number of Tons Carried.	*Freight Revenue.	Number of Tons Carried One Mile.	Freight Train Mileage, Including ¾ of Mixed Train Mileage.	Average Freight Revenue Per Mile of Road.	Average Revenue Per Ton.	Average Revenue Per Ton Per Mile.	Average Distance Haul of One Ton (Miles).	Average Revenue Per Freight Train Mile.
1889	1,187.8	898,125	$2,662,170 13	203,004,973	1,729,767	$2,241 26	$2.9641	$0.0131	226.03	$1.5390
1890	1,222.1	1,154,300	3,394,834 67	258,556,739	1,844,758	2,777 87	2.9410	0.0131	223.99	1.8403
1891	1,222.1	1.252,978	3,288,607 35	251.647,375	1,911,334	2,690 95	2.6246	0.0131	200.84	1.7206
1892	1,222.1	1,302,580	3,553.748 88	270,433,058	1,839,486	2,907 90	2.7282	0.0131	207.61	1.9319
1893	1,223.0	1,506,696	3,988,319 72	329,183,200	2,180,373	3,261 10	2.6471	0.0121	218.48	1.8292
1894	1,223.0	1,328,377	3,498.158 58	282,162,773	1,836,875	2,860 31	2.6334	0.0124	212.41	1.9044
1895	1,223.0	1,470,257	4,072,163 50	309,245,333	1,920,525	3,329 65	2.7697	0.0132	210.33	2.1203

* Actual Earnings derived from hauling Freight, not including any portion of Miscellaneous Earnings.

VII.

PASSENGER.

Fiscal Year ended June 30.	Miles Operated.	Number of Passengers Carried.	*Passenger Revenue.	Number of Passengers Carried One Mile.	Passenger Train Mileage, Including ¼ of Mixed Train Mileage.	Average Passenger Revenue Per Mile of Road.	Average Revenue Per Passenger.	Average Revenue Per Passenger Per Mile.	Average Distance One Passenger Carried (Miles).	Average Revenue Per Passenger Train Mile.
1889	1,187.8	560,728	$557,745 10	21,154,434	875,328	$469 56	$0.9947	$0.0264	37.73	$0.6372
1890	1,222.1	710,192	700,876 60	27,657,489	869,646	573 50	0.9869	0.0253	38.94	0.8059
1891	1,222.1	866,434	856,146 07	34,193,120	1,178,452	700 55	0.9881	0.0250	39.46	0.7265
1892	1,222.1	833,293	854,039 43	33,131,148	1,156,760	698 83	1.0249	0.0258	39.76	0.7383
1893	1,223.0	842,493	879,526 52	35,019,502	1,279,192	719 15	1.0440	0.0251	41.57	0.6876
1894	1,223.0	810,801	883,408 68	37,040,490	1,320,909	722 33	1.0896	0.0238	45.68	0.6688
1895	1,223.0	838,984	889,304 61	36.744,040	1,378,337	727 15	1.0600	0.0242	43.80	0.6452

* Actual Earnings derived from hauling Passengers, not including Mail and Express nor any portion of Miscellaneous Earnings.

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VIII.

Train and Car Mileage Statistics for Seven Years Ended June 30th, 1895—Entire System.

Freight.

Fiscal Year ended June 30.	No. of Miles Run by all Freight Trains (Including Mixed Trains).	Number of Miles Run by Freight Cars.					No. of Miles Run by Home Freight Cars on Foreign Lines.	Percentage of Empty Car Mileage to Total Car Mileage.	Average No. of Cars in each Freight Train.			Average Load.		Average No. of Miles Run Per Car Per Day.		
		Loaded.	Empty.	All.	Home.	Foreign.			Loaded.	Empty.	All.	Per Loaded Car (Tons).	Per Train (Tons).	On this Line.		On Fr'gn Lines
														Home	Fr'gn.	Home
1889	1,752,340	23,739,792	7,538,062	31,277,854	20,595,099	10,682,755	10,206,749	24.10	13.55	4.30	17.85	8.55	115.85	Records incomplete.		
1890	1,963,060	31,947,023	9,744,178	41,691,201	25,466,417	16,224,784	10,258,344	23.37	16.27	4.96	21.23	8.09	131.71			
1891	1,965,585	31,999,673	11,625,117	43,624,790	23,592,858	20,031,932	6,639,801	26.65	16.28	5.91	22.19	7.86	128.03			
1892	1,892,695	26,875,298	9,553,015	36,428,313	18,329,984	18,098,329	10,800,469	26.22	14.20	5.05	19.25	10.06	142.87	22	26	18
1893	2,217,705	31,995,299	9,469,410	41,464,709	19,218,982	22,245,727	9,429,001	22.84	14.43	4.27	18.70	10.29	148.43	24	23	16
1894	1,858,914	26,611,677	8,446,101	35,057,778	22,137,184	12,920,594	9,602,422	24.09	14.32	4.54	18.86	10.60	151.79	24	19	20
1895	1,940,257	28,913,339	10,071,485	38,984,824	20,221,920	18,762,904	9,930,917	25.83	14.90	5.19	20.09	10.70	159.38	24	22	18

IX.

Passenger.

Fiscal Year ended June 30.	No. of Miles Run by Passenger Trains (Not Including Mixed Trains)	Number of Miles Run by Passenger Cars.			Average No. of Cars moved in each Passenger Train.	Average No. of Miles Run Per Car Per Day.	
		Home.	Foreign.	All.		Home.	Foreign.
1889	852,755	3,626,335	445,015	4,071,350	4.32	Records incomplete.	
1890	751,344	3,894,574	519,658	4,414,232	3.60		
1891	1,124,201	4,395,208	743,608	5,138,816	3.83		
1892	1,103,351	4,454,368	779,857	5,234,225	3.97	148	178
1893	1,241,859	4,629,209	913,229	5,542,438	3.98	174	227
1894	1,298,870	4,715,771	902,479	5,618,250	4.05	177	145
1895	1,358,605	4,555,758	897,278	5,453,036	3.79	160	129

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Income and Financial Exhibits.

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X.

ST. LOUIS SOUTHWESTERN RY. CO. — INCOME ACCOUNT. — YEAR ENDED JUNE 30TH, 1895.

To OPERATING EXPENSES, year ended June 30th, 1895—			By EARNINGS, year ended June 30th, 1895—		
Conducting Transportation	$879,769 04		Freight	$2,507,488 94	
Motive Power	486,466 44		Passenger	447,884 29	
Maintenance of Cars	164,943 57		Mail	59,596 14	
Maintenance of Way	520,975 43		Express	44,949 60	
General Expenses	104,087 92	$2,156,242 40	Telegraph	3,169 79	
Net Earnings from Operation	—	**941,828 44**	Miscellaneous	34,982 08	$3,098,070 84
		$3,098,070 84			$3,098,070 84
To Accrued Interest on First Mortgage Bonds (4%)	—	$ 800,000 00	By Net Earnings, year ended June 30th, 1895, brought down	—	$ 941,828 44
Taxes Accrued	—	65,322 19	Interest on Bonds owned—		
Sundry Amounts	—	20,104 75	St. Louis Southwestern Ry. Co. of Tex., First Mortgage . . $9,445,000.00 @ 4%	$ 377,800 00	
Total Debits	—	$ 885,426 94	Tyler Southeastern Ry. Co., First Mortgage . . . $660,000.00 @ 4%	26,400 00	
Surplus Income for Fiscal Year ended June 30th, 1895, carried to credit of Profit and Loss Account	—	**473,890 00**	Paragould Southeastern Ry. Co., First M't'ge (18 mos.) . $25,000.00 @ 6%	2,250 00	$ 406,450 00
			Sundry Amounts	—	11,038 50
		$1,359,316 94	Total Credits	—	$1,359,316 94

PROFIT AND LOSS ACCOUNT—JUNE 30TH, 1895.

To Proportion of Discount on First Mortgage Certificates sold	$ 27,638 54	By Balance to credit of Profit and Loss Account at the beginning of Current Fiscal Year, July 1st, 1894 . . .	$1,162,677 12
Balance to credit of Profit and Loss Account, June 30th, 1895	**1,748,916 16**	Surplus Income from Operation for Fiscal Year ended June 30th, 1895, as per foregoing statement	473,890 00
		Proportion of Surplus Securities received from the Reorganization Committee	139,987 58
	$1,776,554 70		$1,776,554 70

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XI.

ST. LOUIS SOUTHWESTERN RY. CO. — CONDENSED BALANCE SHEET. — JUNE 30TH, 1895.

To Cost of Road and Equipment	—	$47,034,584 06	By Capital Stock—		
Construction Accounts	—	21,530 95	Preferred	$20,000,000 00	
Real Estate	—	27,327 95	Common	16,500,000 00	$36,500,000 00
Investments in Stocks and Bonds—					
Capital Stock St. L. S. W. Ry. Co. of Texas	$2,500,000 00		Bonds—		
Capital Stock Tyler Southeastern Ry. Co.	250,000 00		First Mortgage (4%)	$20,000,000 00	
First Mortgage Bond St. L. S. W. Ry. Co. of Texas	9,445,000 00		Second Mortgage Income (4%)	8,000,000 00	28,000,000 00
Second Mortgage Income Bond St. L. S. W. Ry. Co. of Texas	4,722,500 00		Equipment Trust Obligations	—	235,249 81
First Mortgage Bond Tyler Southeastern Ry. Co.	660,000 00		Sundry Accounts Payable	—	641,359 58
Second Mortgage Income Bond Tyler Southeastern Ry. Co.	330,000 00		Interest on Bonds—due and accrued	—	173,793 33
St. Louis Southwestern Ry. Co.:			Miscellaneous Accounts	—	79,048 73
Capital Stock—			*Balance to credit of Profit and loss Account, June 30th, 1895, as per detailed exhibit on preceding page*	—	1,748,916 16
Preferred $106,350.00					
Common 143,900.00					
1st Mtg. Certificates 325,000.00					
" Fractional Scrip 137.70					
2d Mtg. Income Certificates 31,000.00					
" Fractional Scrip 227.50	606,615 20				
Paragould Southeastern Ry. Co.: Capital Stock, $25,000.00; First Mortgage Bonds 25,000.00 } Cost to Co.	25,000 00				
First Mortgage Bonds Gulf and Ship Island Ry., par value $15,000, purchased for	1,500 00	18,540,615 20			
Advances to Sundry Agents—to be accounted for	—	16,085 66			
Cash	—	79,056 15			
Sundry Accounts Collectible	—	79,834 38			
Supplies on hand	—	170,403 87			
St. Louis Southwestern Ry. Co. of Texas, General Account	—	1,314,552 60			
Tyler Southeastern Ry. Co., General Account	—	94,376 79			
		$67,378,367 61			$67,378,367 61

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XII.

ST. LOUIS SOUTHWESTERN R'Y CO. OF TEXAS. — INCOME ACCOUNT. — YEAR ENDED JUNE 30TH, 1895.

To OPERATING EXPENSES, year ended June 30th, 1895—			By EARNINGS, year ended June 30th, 1895—		
Conducting Transportation	$ 523,454 12		Freight	$1,478,051 81	
Motive Power	454,279 36		Passenger	412,102 49	
Maintenance of Cars	110,640 64		Mail	54,405 20	
Maintenance of Way	515,054 22		Express	23,644 80	
General Expenses	80,060 76	$1,683,489 10	Telegraph	3,632 46	
			Miscellaneous	21,668 47	$1,993,505 23
Net Earnings from Operation	—	310,016 13			
		$1,993,505 23			$1,993,505 23
To Accrued Interest on First Mortgage Bond (4%)	—	$ 377,800 00	By Net Earnings, year ended June 30th, 1895, brought down	—	$ 310,016 13
Taxes Accrued	—	47,950 29	Sundry Amounts	—	10,381 03
Sundry Amounts	—	19,616 75	Total Credits	—	$ 320,397 16
			Deficit for Fiscal Year ended June 30th, 1895, carried to debit of Profit and Loss Account	—	124,969 88
Total Debits	—	$ 445,367 04			$ 445,367 04

PROFIT AND LOSS ACCOUNT—JUNE 30TH, 1895.

To Balance to debit of Profit and Loss Account, July 1st, 1894	$1,063,362 65	By Proportion of Surplus Securities St. L. S. W. R'y received from the Reorganization Committee	$ 133,593 64
Deficit from operation for Fiscal Year ended June 30th, 1895, as per foregoing statement	124,969 88	*Balance to debit of Profit and Loss Account, June 30th, 1895*	1,081,115 05
Proportion of Discount on First Mortgage Certificates, St. L. S. W. R'y sold	26,376 16		
	$1,214,708 69		$1,214,708 69

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XIII.

ST. LOUIS SOUTHWESTERN RY. CO. OF TEXAS. CONDENSED BALANCE SHEET. JUNE 30TH, 1895.

To Cost of Road and Equipment	—	$17,142,094 87	By Capital Stock (Common)	—	$ 2,500,000 00
Cash	—	77,153 06	Bonds —		
Sundry Accounts Collectible	—	50,107 01	First Mortgage (4%)	$ 9,445,000 00	
Supplies on hand	—	81,008 70	Second Mortgage Income (4%)	4,722,500 00	14,167,500 00
Miscellaneous Accounts	—	1,191 14	Equipment Trust Obligations	—	235,249 81
Tyler Southeastern Ry. Co., Gen'l Acc't.	—	43,171 70	Sundry Accounts Payable	—	258,539 12
Balance to debit of Profit and Loss Account, June 30th, 1895, as per detailed exhibit on preceding page	—	1,081,115 05	St. Louis Southwestern Ry. Co., General Account	—	1,314,552 60
		$18,475,841 53			$18,475,841 53

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XIV.

TYLER SOUTHEASTERN RY. CO. — INCOME ACCOUNT. — YEAR ENDED JUNE 30TH, 1895.

To OPERATING EXPENSES, year ended June 30th, 1895—			By EARNINGS, year ended June 30th, 1895—		
Conducting Transportation	$ 38,844 94		Freight	$ 86,622 75	
Motive Power	32,650 60		Passenger	29,317 83	
Maintenance of Cars	17,856 31		Mail	5,326 64	
Maintenance of Way	42,945 46		Express	3,405 60	
General Expenses	5,192 28	$ 137,489 59	Telegraph	325 84	
			Miscellaneous	599 84	$ 125,598 50
			Deficit from Operation	—	11,891 09
		$ 137,489 59			$ 137,489 59
To Deficit, year ended June 30th, 1895, brought down	—	$ 11,891 09	By Sundry Amounts	—	$ 649 66
Accrued Interest on First Mortgage Bond (4 %)	—	26,400 00	Total Credits	—	$ 649 66
Taxes Accrued	—	4,456 53	*Deficit for Fiscal Year ended June 30th, 1895, carried to debit of Profit and Loss Account*	—	42,730 64
Sundry Amounts	—	632 68			
Total Debits	—	$ 43,380 30			$ 43,380 30

PROFIT AND LOSS ACCOUNT—JUNE 30TH, 1895.

To Balance to debit of Profit and Loss Account July 1st, 1894	$ 101,263 46	By Proportion of Surplus Securities, St. Louis Southwestern Ry., received from the Reorganization Committee	$ 9,336 28
Deficit from operation for Fiscal Year ended June 30th, 1895, as per foregoing statement	42,730 64	*Balance to debit of Profit and Loss Account June 30th, 1895*	136,501 14
Proportion of Discount on First Mortgage Certificates St. Louis Southwestern Ry. sold	1,843 32		
	$ 145,837 42		$ 145,837 42

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XV.

TYLER SOUTHEASTERN RY. CO. — CONDENSED BALANCE SHEET. — JUNE 30TH, 1895.

To Cost of Road and Equipment	—	$1,245,690 12	By Capital Stock (Common)	—	$ 250,000 00
Miscellaneous Accounts	—	72 23	Bonds—		
Balance to debit of Profit and Loss Account June 30th, 1895, as per detailed exhibit on preceding page	—	136,501 14	First Mortgage (4%)	$660,000 00	
			Second Mortgage Income (4%)	330,000 00	990,000 00
			Donated Town Lot Sales	—	4,715 00
			St. Louis Southwestern Ry. Co., General Account	—	94,376 79
			St. Louis Southwestern Ry. Co. of Texas, General Account	—	43,171 70
		$1,382,263 49			$1,382,263 49

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FIFTH ANNUAL REPORT.

"COTTON BELT ROUTE"

ST. LOUIS SOUTHWESTERN RAILWAY COMPANY,

INCLUDING THE

ST. LOUIS SOUTHWESTERN RAILWAY CO. OF TEXAS

AND

TYLER SOUTHEASTERN RAILWAY CO.

FISCAL YEAR ENDED

JUNE 30, 1896.

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"COTTON BELT ROUTE"

ST. LOUIS SOUTHWESTERN RAILWAY COMPANY,

INCLUDING THE

ST. LOUIS SOUTHWESTERN RAILWAY CO. OF TEXAS

AND

TYLER SOUTHEASTERN RAILWAY CO.

FIFTH ANNUAL REPORT

TO THE

DIRECTORS AND STOCKHOLDERS,

FOR THE FISCAL YEAR ENDED

JUNE 30, 1896.

ST. LOUIS:
WOODWARD & TIERNAN PRINTING CO., 309 to 319 North Third Street.
1896.

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DIRECTORS.

ST. LOUIS SOUTHWESTERN RAILWAY COMPANY.

ELECTED OCTOBER, 1895.

S. W. FORDYCE	ST. LOUIS, MO.
EDWIN GOULD	DOBBS FERRY, N. Y.
W. B. DODDRIDGE	ST. LOUIS, MO.
M. GERNSHEIM	NEW YORK, N. Y.
R. M. GALLOWAY	NEW YORK, N. Y.
THOS. T. ECKERT	NEW YORK, N. Y.
ROBERT MOORE	ST. LOUIS, MO.
A. L. WOLFF	ST. LOUIS, MO.
WINSLOW S. PIERCE	NEW YORK, N. Y.

Annual Meeting of Stockholders for election of Directors is held in the city of St. Louis, Mo., on the first Tuesday in October.

ST. LOUIS SOUTHWESTERN RAILWAY COMPANY OF TEXAS.

ELECTED MAY, 1896.

S. W. FORDYCE	St. Louis, Mo.
W. W. SELEY	Waco, Tex.
TOM RANDOLPH	Sherman, Tex.
J. A. EDSON	Tyler, Tex.
EDWIN GOULD	Dobbs Ferry, N. Y.
WINSLOW S. PIERCE	New York, N. Y.
W. B. DODDRIDGE	St. Louis, Mo.
JAMES GARITTY	Corsicana, Tex.
W. C. CONNOR	Dallas, Tex.

Annual Meeting of Stockholders for election of Directors is held in the city of Tyler, Texas, on the Monday preceding the first Wednesday in May.

TYLER SOUTHEASTERN RAILWAY COMPANY.

ELECTED MAY, 1896.

H. H. ROWLAND	Tyler, Tex.
HOWARD GOULD	Irvington, N. Y.
GUY PHILLIPS	New York, N. Y.
W. S. MALLETT	New York, N. Y.
T. F. MURCHISON	Athens, Tex.
J. P. DOUGLAS	Tyler, Tex.
J. A. EDSON	Tyler, Tex.

Annual Meeting of Stockholders for election of Directors is held in the city of Tyler, Texas, on the Monday preceding the first Wednesday in May.

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GENERAL OFFICERS.

ST. LOUIS SOUTHWESTERN RAILWAY COMPANY.

S. W. FORDYCE	*President*	ST. LOUIS, MO.
EDWIN GOULD	*Vice-President*	DOBBS FERRY, N. Y.
WINSLOW S. PIERCE	*General Counsel*	NEW YORK, N. Y.
S. H. WEST	*Assistant Attorney*	ST. LOUIS, MO.
J. A. EDSON	*General Superintendent*	TYLER, TEX.
S. C. JOHNSON	*General Auditor*	ST. LOUIS, MO.
GEORGE ERBELDING	*Secretary*	NEW YORK, N. Y.
G. K. WARNER	*Ass't Secretary and Treasurer*	ST. LOUIS, MO.
R. S. DAVIS	*General Freight Agent*	ST. LOUIS, MO.
H. E. FARRELL	*Assistant General Freight Agent*	ST. LOUIS, MO.
E. W. LABEAUME	*General Passenger and Ticket Agt.*	ST. LOUIS, MO.
H. G. KELLEY	*Chief Engineer*	TEXARKANA, TEX.
R. M. GALBRAITH	*General Master Mechanic*	PINE BLUFF, ARK.

ST. LOUIS SOUTHWESTERN RAILWAY COMPANY OF TEXAS.

S. W. FORDYCE	*President*	St. Louis, Mo.
EDWIN GOULD	*First Vice-President*	Dobbs Ferry, N. Y.
J. A. EDSON	*Second Vice-Pres't and Gen'l Sup't*	Tyler, Tex.
R. D. COBB	*Secretary and Auditor*	Tyler, Tex.
GEORGE ERBELDING	*Assistant Secretary*	New York, N. Y.
J. W. HOGAN	*Treasurer*	Tyler, Tex.
G. W. BARNHART	*General Freight Agent*	Tyler, Tex.
S. G. WARNER	*General Passenger Agent*	Tyler, Tex.
H. G. KELLEY	*Chief Engineer*	Texarkana, Tex.
J. M. SCROGIN	*Master Mechanic*	Tyler, Tex.

TYLER SOUTHEASTERN RAILWAY COMPANY.

H. H. ROWLAND	*President*	Tyler, Tex.
HOWARD GOULD	*Vice-President*	Irvington, N. Y.
J. A. EDSON	*General Superintendent*	Tyler, Tex.
R. D. COBB	*Auditor*	Tyler, Tex.
J. P. DOUGLAS	*Secretary*	Tyler, Tex.
GUY PHILLIPS	*Assistant Secretary*	New York, N. Y.
J. W. HOGAN	*Treasurer*	Tyler, Tex.
G. W. BARNHART	*General Freight Agent*	Tyler, Tex.
S. G. WARNER	*General Passenger Agent*	Tyler, Tex.
H. G. KELLEY	*Chief Engineer*	Texarkana, Tex.
J. M. SCROGIN	*Master Mechanic*	Tyler, Tex.

TRANSFER OFFICE: No. 195 Broadway, New York, N. Y.

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"COTTON BELT ROUTE"

St. Louis Southwestern Railway Co.

OFFICE OF THE PRESIDENT.

ST. LOUIS, MO., Sept. 1, 1896.

To the Board of Directors and Stockholders of the St. Louis Southwestern Railway Company:

Herewith, is respectfully submitted the Fifth Annual Report, showing the operations of your Company and the lines controlled by it, for the fiscal year ended June 30th, 1896, together with analytical statements showing the financial and physical condition of the same at the close of the fiscal year.

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MILEAGE OPERATED.

The track mileage operated, on which all computations pertaining to earnings, expenses and traffic statistics are based, is shown in the following table:

MILEAGE OWNED AND CONTROLLED—ENTIRE SYSTEM.

	Main Track.	Side Track.	Total.
ST. LOUIS SOUTHWESTERN RAILWAY COMPANY—			
Main Line	418.0	101.2	519.2
New Madrid Branch	5.7	.2	5.9
Delta Branch	51.4	8.2	59.6
Little Rock Branch	41.7	4.4	46.1
Magnolia Branch	6.4	.3	6.7
Shreveport Branch	59.5	7.7	67.2
Total	582.7	122.0	704.7
ST. LOUIS SOUTHWESTERN RAILWAY COMPANY OF TEXAS—			
Main Line	304.6	49.6	354.2
Sherman Branch	109.9	14.3	124.2
Ft. Worth Branch	97.2	13.8	111.0
Hillsboro Branch	40.0	4.1	44.1
Total	551.7	81.8	633.5
TYLER SOUTHEASTERN RAILWAY COMPANY—			
Main Line	88.6	7.9	96.5
ENTIRE SYSTEM—Total Mileage	1,223.0	211.7	1,434.7

The main track mileage remains the same as at the close of the preceding fiscal year. During the fiscal year ended June 30th, 1896, there have been laid 5.91 miles of new side and passing tracks for railroad purposes and 4.01 miles of new private and spur tracks for saw mills and other local industries, making a total of 9.92 miles of new side track. There have been taken up 5.06 miles of old side track, making a net increase of 4.86 miles in side track during the fiscal year ended June 30th, 1896.

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FINANCIAL RESULTS FROM OPERATION.

The following statement shows gross earnings, receipts from all other sources, operating expenses, fixed and all other charges against income, for the fiscal year ended June 30th, 1896, compared with the preceding fiscal year:

ENTIRE SYSTEM.	Year ended June 30, 1896.	Year ended June 30, 1895.	Increase.	Decrease.
Gross earnings	$4,904,489 86	$5,217,174 57	—	$312,684 71
Operating expenses (including betterments)	4,132,374 54	3,977,221 09	$155,153 45	—
Net earnings	$ 772,115 32	$1,239,953 48	—	$467,838 16
All other receipts	10,076 70	24,319 19	—	14,242 49
Total income over operating expenses	$ 782,192 02	$1,264,272 67	—	$482,080 65
Fixed and other payments charged against income:				
Accrued interest on first mortgage bonds (4 per cent.)	$ 800,000 00	$ 800,000 00	—	—
Taxes accrued	128,551 97	117,729 01	$ 10,822 96	—
Interest and exchange	16,184 97	22,536 18	—	$ 6,351 21
All other payments	15,305 14	17,818 00	—	2,512 86
Total charges against income	$ 960,042 08	$ 958,083 19	$ 1,958 89	—
Surplus income carried to credit of profit and loss account	—	$ 306,189 48	—	—
Deficit carried to debit of profit and loss account	$ 177,850 06	—	—	$484,039 54

It should be noted, at the outset, and borne in mind when examining statements contained in this report, that the results of operation for the fiscal year ended June 30th, 1896, are compared with similar results for the fiscal year ended June 30th, 1895, the most prosperous business year in the history of your property.

The gross earnings and operating expenses compare very favorably with those of previous years. During the five years ended June 30th, 1895, the gross earnings averaged $4,781,636.85 per year, or $122,853.01 less than for the fiscal year ended June 30th, 1896; and during the five years ended June 30th, 1895, the operating expenses averaged $4,161,289.92 per year, or $28,915.38 more than for the fiscal year ended June 30th, 1896.

During the fiscal year ended June 30th, 1896, the principal factors adversely affecting operating results were, first, an

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unusual shortage in the cotton crop of 1895-96; second, the usual business stagnation incident to presidential election years, and third, the commercial inactivity due to the unsettled condition of the financial system of the country. These conditions have adversely affected the movement of both freight and passenger traffic in no small degree; nor have they thus affected your property alone. An examination of the results of operation of other roads extending through contiguous territory reveals a shrinkage in their revenues, traceable to the same causes, to as great an extent as in those of your Company. It is hoped that financial confidence may be fully restored after the Fall elections. That result being accomplished, early resumption of business activity is assured, as inactivity could not long prevail, under normal financial conditions, in that section of the country traversed by your lines of railway, in the face of its natural and almost unlimited timber, agricultural and commercial resources in process of development.

In considering the causes for the decrease in gross earnings and the increase in operating expenses the following results of comparisons with the preceding year will be found interesting:

FISCAL YEAR ENDED JUNE 30TH, 1896, COMPARED WITH 1895.

Gross earnings	decrease	$312,684 71	or	5.99%
Freight earnings	decrease	386,524 82	or	9.49%
Passenger earnings	increase	54,842 01	or	6.17%
Mail, express, telegraph and miscellaneous earnings	increase	18,998 10	or	7.43%
Operating expenses (including betterments and extraordinary expenses)	increase	155,153 45	or	3.90%
Betterments and extraordinary expenses	increase	72,672 58	or	34.99%
Operating expenses (exclusive of betterments and extraordinary expenses)	increase	82,480 87	or	2.19%
Total tonnage (tons)	increase	16,821	or	1.14%
Lumber (tons)	increase	59,694	or	8.55%
Cotton (tons)	decrease	65,401	or	40.12%
All other commodities (tons)	increase	22,528	or	3.70%
Total number of passengers carried	increase	96,571	or	11.51%
Total train mileage (miles)	increase	129,317	or	3.92%

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The decrease in gross earnings is caused by the decrease in freight earnings, due in a large measure, as before stated, to the shortage in the cotton crop of the season of 1895-96. The total tonnage transported during the year shows an increase of 1.14 per cent., caused by the increase in tonnage of lumber of 8.55 per cent., which more than offsets the decrease in the percentage of the tonnage of cotton and other commodities transported, viz., 5.55 per cent. Lumber being a low-class freight and cotton being a high-class freight (the rate per cwt. being much higher on the latter commodity than on the former), the effect was to materially reduce the gross revenue derived from freight traffic. Passenger earnings and mail earnings both show substantial increases, which partially offset the decrease in freight earnings.

The increase in operating expenses of 3.90 per cent. was due almost entirely to circumstances over which the management had no control and which could not be foreseen.

Compared with the preceding fiscal year, there has been an increase in the amounts expended for betterments (included in operating expenses) of $13,808.59, or 7.01 per cent. The larger portion of the expenditure for betterments during the current fiscal year was on account of necessary betterment work commenced in the preceding fiscal year (during a period of prosperity), and which, for practical and economical reasons, rendered it advisable to have the same completed during the current fiscal year. While the operating expenses have been increased by these expenditures, the fact that the physical condition of your property has been much improved, its earnings capacity increased, and its value thereby greatly enhanced, should not be overlooked.

There has been an increase of $58,863.99, or 553.81 per cent., in expenditures of an extraordinary nature which could not be avoided.

Especial attention is called to the following principal items of betterments and extraordinary expenses, of the nature referred

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to in the foregoing paragraphs, included in operating expenses for the fiscal year ended June 30th, 1896:

BETTERMENTS.

Changing gauge of Tyler Southeastern Railway from narrow to standard (commenced last year)	$ 45,193 99
Improvements to Texarkana shops and shop grounds (commenced last year)	30,783 32
Applying air brakes and automatic couplers to freight cars, in accordance with requirements of Act of Congress	17,849 84

EXTRAORDINARY EXPENSES.

Cost of protecting Arkansas river bridge and west bank of river at that location, which was washed out December 25th, 1895	12,452 44
Judgment and costs in suit of Mrs. S. C. Rasberry, *et al.*, for death of Julius Rasberry, fireman, killed by explosion of T. S. E. engine, February 8th, 1893	15,627 00
Judgment and costs in suit of Mrs. Annie McMahon, *et al.*, for death of H. McMahon, hostler, killed by explosion of T. S. E. engine, February 8th, 1893	12,136 67
Judgment and costs in suit of R. W. Holbrook, for personal injuries received June 7th, 1889	12,041 05
Total	$146,084 31

The increase in operating expenses, excluding the total amounts expended for betterments and extraordinary expenses in both years, is only 2.19 per cent., which is very gratifying when compared with the increase of 1.14 per cent. in total tonnage transported, 11.51 per cent. in total number of passengers carried and 3.92 per cent. in total train mileage.

A careful perusal of the statement of earnings, expenses, net earnings and taxes under the heading of "Financial Exhibits" on page 16, and of the information given under the headings of "Traffic," pages 32 to 41, and "Conducting Transportation," pages 42 to 45, is invited, as therein will be found a more complete and detailed analysis of the conditions affecting the freight and passenger revenues and operating expenses for the fiscal year ended June 30th, 1896.

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FINANCIAL EXHIBITS.

Immediately following will be found exhibits of the income account for the current fiscal year, profit and loss account to June 30th, 1896, and the condensed balance sheet June 30th, 1896. A complete analysis in the form of comparative statements will also be found, showing the changes that have taken place in the various accounts composing the income account, profit and loss account and condensed balance sheet since the preceding fiscal year, also your Company's financial condition at the close of the fiscal year ended June 30th, 1896, and finally a summary of the year's resources and the manner in which they were appropriated, in the following order, to wit:

Earnings, expenses and taxes,	Exhibit A.
Betterments and extraordinary expenses,	" A.
Accrued interest on bonds,	" B.
Taxes accrued,	" C.
Interest and exchange,	" D.
All other payments,	" E.
Interest on bonds owned,	" F.
All other receipts,	" G.
Cost of road and equipment,	" H.
Construction accounts,	" I.
Real estate,	" J.
Investments in stocks and bonds,	" K.
Capital stock,	" L.
Funded debt,	" M.
Equipment trust obligations,	" N.
Floating debt,	" O.
Miscellaneous accounts,	" P.
Summary of financial transactions.	

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Income Account—Entire System.

Year Ended June 30th, 1896.

To Expenses (see exh. A, page 16):			By Earnings (see exh. A, page 16):		
Conducting transportation	$1,442,403 55		Freight	$3,685,638 68	
Motive power	991,591 29		Passenger	944,146 62	
Maintenance of cars	344,517 56		Mail	143,208 89	
Maintenance of way	1,133,998 51		Express	72,000 00	
General expenses	219,863 63	$4,132,374 54	Telegraph	6,648 20	
Net earnings	—	**772,115 32**	Miscellaneous	52,847 47	$4,904,489 86
		$4,904,489 86			$4,904,489 86
To Accrued interest on bonds (see exh. B, p. 21):	—	$ 800,000 00	By Net earnings brought down		$772,115 32
Taxes accrued " C " 21	—	128,551 97	Interest on bonds owned (see exh. F, page 22)	—	8,366 68
Interest and exchange " D " 22	—	16,184 97	All other receipts (see exh. G, p. 23)	—	1,710 02
All other payments " E " 22	—	15,305 14	Total credits	—	$782,192 02
			Deficit for fiscal year ended June 30th, 1896, carried to debit of profit and loss account	—	**177,850 06**
Total debits	—	$960,042 08			$960,042 08

Profit and Loss Account—Entire System—June 30th, 1896.

To Deficit from operation for fiscal year ended June 30th, 1896, brought down	$ 177,850 06	By Balance to credit of profit and loss account at the beginning of current fiscal year, July 1st, 1895	$ 531,299 97
Discount on first and second mortgage certificates and fractional scrip sold	64,827 34		
Balance to credit of profit and loss account, June 30th, 1896	**288,622 57**		
	$ 531,299 97		$ 531,299 97

Note.—See appendix for income account and profit and loss account of each Company separately.

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CONDENSED BALANCE SHEET—ENTIRE SYSTEM.

JUNE 30TH, 1896.

ASSETS.		Total.	+ Increase, - Decrease, This year.	LIABILITIES.		Total.	+ Increase, - Decrease, This year.
Cost of road and equipment (see exh. H, page 23)		$65,446,910 67	+ $24,541 62	Capital stock (see exh. L, page 27):			
				Preferred	$20,000,000 00		
				Common	16,500,000 00	$36,500,000 00	—
Construction accounts (see exh. I. page 24)		21,530 95	—				
Real estate (see exh. J, page 24)		27,327 95	—	Funded debt (see exh. M, page 27):			
				1st mortgage bonds (4%)	$20,000,000 00		
Investments (see exh. K, page 24):				2d mortgage income bonds (4%, if earned)	8,000,000 00	28,000,000 00	—
Stocks and bonds owned		416,750 00	- 216,365 20				
				Equipment trust obligations (see exh. N, page 28)		359,092 60	- $111,407 02
Current assets, viz. (see exh. O, page 29):				Deferred liabilities, viz. (see exh. O, page 29):			
Cash	$150,344 66	—	- 5,864,55	Notes payable—due on stated dates after July 1st, 1896	$312,415 00	—	+ 297,284 35
Sundry accounts collectible	171,268 51	—	+ 46,336 19	Interest on bonds—accrued, not due until Nov. 1st, 1896	133,333 33	—	—
Advances to sundry agents	6,333 88	—	- 9,751 78	Taxes accrued year 1896—not due until 1897	61,870 10	—	+ 2,797 89
Prepaid insurance	2,266 70	—	- 1,091 20	Hospital fund	3,295 72	—	+ 1,897 46
	$330,213 75	—	—			510,914 15	
Supplies on hand	289,274 13	—	+ 37,861 56	Current liabilities, viz. (see exh. O, page 29):			
		619,487 88		Audited vouchers unpaid	$437,339 68	—	+ 87,032 37
				Audited pay-rolls unpaid	262,672 45	—	- 32,207 01
				Interest on bonds—due and unpaid (unpresented coupons)	38,560 00	—	- 1,900 00
				Notes payable—due on demand	75,600 00	—	- 99,900 00
						814,172 13	
				Miscellaneous accounts (see exh. P, page 30)		59,206 00	- 25,254 00
				Balance to credit of profit and loss account, June 30th, 1896, as per detailed exhibit on preceding page		288,822 57	- 242,677 40
		$66,532,007 45	- $124,333 36			$66,532,007 45	- $124,333 36

NOTE.—See appendix for condensed balance sheet of each Company separately.

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EXHIBIT A.

COMPARATIVE STATEMENT OF EARNINGS, EXPENSES, NET EARNINGS AND TAXES.

ENTIRE SYSTEM.	Year ended June 30, 1896.	Year ended June 30, 1895.	Increase.	Per Cent.	Decrease.	Per Cent.
EARNINGS—						
Freight	$3,685,638 68	$4,072,163 50	—	—	$386,524 82	9.49
Passenger—local	618,128 47	581,115 35	$ 37,013 12	6.37	—	—
Passenger—foreign	326,018 15	308,189 26	17,828 89	5.79	—	—
Mail	143,208 89	119,327 98	23,880 91	20.01	—	—
Express	72,000 00	72,000 00	—	—	—	—
Telegraph	6,648 20	7,128 09	—	—	479 89	6.73
Miscellaneous	52,847 47	57,250 39	—	—	4,402 92	7.69
Total	$4,904,489 86	$5,217,174 57	—	—	$312,684 71	5.99
Earnings per mile of road	$ 4,010 21	$ 4,265 88	—	—	$ 255 67	5.99
EXPENSES (including betterments)—						
Conducting transportation	$1,442,403 55	$1,442,068 10	$ 335 45	0.02	—	—
Motive power	991,591 29	973,396 40	18,194 89	1.87	—	—
Maintenance of cars	344,517 56	293,440 52	51,077 04	17.41	—	—
Maintenance of way	1,133,998 51	1,078,975 11	55,023 40	5.10	—	—
General expenses	219,863 63	189,340 96	30,522 67	16.12	—	—
Total	$4,132,374 54	$3,977,221 09	$155,153 45	3.90	—	—
Expenses per mile of road	$ 3,378 88	$ 3,252 02	$ 126 86	3.90	—	—
Per cent. of expenses to earnings	84.26	76.23	8.03	10.53	—	—
NET EARNINGS	$ 772,115 32	$1,239,953 48	—	—	$467,838 16	37.73
Per mile of road	$ 631 33	$ 1,013 86	—	—	$ 382 53	37.73
Per cent. of total earnings	15.74	23.77	—	—	8.03	33.78
EXPENSES AND TAXES—						
Expenses	$4,132,374 54	$3,977,221 09	$155,153 45	3.90	—	—
Taxes accrued	128,551 97	117,729 01	10,822 96	9.19	—	—
Total	$4,260,926 51	$4,094,950 10	$165,976 41	4.05	—	—
Per mile of road	$ 3,484 00	$ 3,348 28	$ 135 72	4.05	—	—
Per cent. of total earnings	86.88	78.49	8.39	10.69	—	—
SURPLUS after paying taxes	$ 643,563 35	$1,122,224 47	—	—	$478,661 12	42.65
Per mile of road	$ 526 22	$ 917 60	—	—	$ 391 38	42.65

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BETTERMENTS AND EXTRAORDINARY EXPENSES,

INCLUDED IN THE FOREGOING STATEMENT OF OPERATING EXPENSES.

ENTIRE SYSTEM.	BETTERMENTS.		EXTRAORDINARY EXPENSES.	
	Year ended June 30, 1896.	Year ended June 30, 1895.	Year ended June 30, 1896.	Year ended June 30, 1895.
Conducting Transportation .	$ 8,284 21	$ 17,878 75	$ 42,502 27	$ 2,778 32
Motive Power	32,522 04	32,650 62	—	1,007 71
Maintenance of Cars	29,143 84	21,103 23	—	—
Maintenance of Way	140.944 83	125,453 73	26,990 54	6,842 79
Total	$ 210,894 92	$ 197,086 33	$ 69,492 81	$ 10,628 82
Increase this year	$ 13,808 59	—	$ 58,863 99	—
Per cent. of increase.	7.01		553.81	

The several items composing the expenditure for betterments during the year ended June 30th, 1896, are as follows:

New station houses, platforms, etc.—		
Joint depot building with St. L., I. M. & S. R'y at Delta, Mo., one-half cost . . .	$ 825 72	
Depot building and platform, La Forge, Mo .	599 28	
Freight depot and platform, Jonesboro, Ark., (cost in excess of insurance collected on old structures destroyed by fire)	978 43	
Joint facilities with Texas Midland R. R. at Greenville, Texas, our proportion—		
Union depot (commenced last year) . . .	1,194 26	
Freight depot	399 12	
Transfer shed	374 09	
Driveway, etc	520 74	
Depot building, Clinton, Texas	608 99	
Cotton platform, Axtell, Texas	151 22	
Extension of freight depot building, Waco, Texas	1,713 02	$ 7,364 87
Additional stock pens—		
Zent, Ark.	$ 134 75	
England, Ark	96 95	
Ridgeway, Texas	128 59	
Chandler, Texas	143 90	
Axtell, Texas	211 81	
Alto, Texas	138 06	
Bullard, Texas	65 28	919 34
Amount carried forward		$ 8,284 21

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Amount brought forward			$8,284 21
New cinder pit, Malden, Mo.			187 19
Improvements to Pine Bluff shops and yard—			
New blacksmith shop	$7,080 98		
New machinery	417 50		
Additional yard track (commenced last year).	2,620 84		10,119 32
Improvements to Texarkana shops and shop grounds (commenced last year)—			
New roundhouse and pits	$4,170 75		
New turntable	690 08		
New cinder pit.	303 59		
Fence around motive power yard	424 60		
New coal chutes and incline	2,204 04		
New water station	1,102 55		
New cast iron water mains	3,154 86		
Grading	9,397 67		
Additional tracks	9,335 18		30,783 32
Raising track to T. & F. S. R'y crossing, Texarkana, Texas—			
Grading, etc., current fiscal year, less amount received from T. & F. S. R'y, as their proportion of work done last year and to date, and adjustment of erroneous distribution.		OR.	3,174 93
Improvements at Commerce, Texas—			
New coal hoist	$ 260 90		
Additional tracks (commenced last year)	326 08		586 98
Improvements to Tyler shops and yard—(unfinished)			
Taking up side tracks and clearing right-of-way to grade	$ 226 64		
Grading	125 40		
Engineering expenses	250 00		602 04
New water station, Greenville, Texas			734 99
New fence around pond at Randolph, Texas.			119 65
New machinery for Tyler shops			882 50
Cost of applying air brakes to locomotives			4,212 98
Cost of applying second water closet and cooler to coach			53 00
Cost of applying air brakes and automatic couplers to freight cars			17,849 84
Cost of applying Pintsch gas equipment to car "Arkansas Traveler"			305 38
Expenses incident to change of gauge T. S. E. R'y—(commenced last year)—			
Changing locomotives from narrow to standard gauge	$ 6,182 77		
Amount carried forward	$ 6,182 77		$71,546 47

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Amount brought forward	$ 6,182 77	$71,546 47
Changing baggage, mail and express car from narrow to standard gauge	411 27	
Changing passenger cars from narrow to standard gauge	1,382 48	
Changing freight cars from narrow to standard gauge	9,141 87	
Changing hand cars from narrow to standard gauge	15 50	
Changing trestles	628 75	
Changing cattle guards	66 19	
Frogs	83 44	
Widening and preparing cuts and embankments	15,392 34	
Spreading rails	9,284 76	
Spikes—track	1,634 46	
Switch fixtures	970 16	45,193 99
New turntable, Lufkin, Texas		392 11
Changing tracks and improving yard at Rusk, Texas		672 86
Ballasting—		
Shreveport branch, miles K. 432 to K. 434½ .	$ 1,027 00	
Sherman branch, mile C. 541	122 93	
Main line, Texas, miles 660 to 664 (commenced last year)	3,769 04	4,918 97
New bridges—		
White river, M. P. 215, main line Arkansas (unfinished)	$17,386 58	
Sabine river, M. P. 526, Waco section, Texas (unfinished)	10,132 81	27,519 39
Raising track above overflow, Wabbaseca bottom, M. P. 238 to 246, main line, Arkansas division (commenced last year)		737 19
Improvements to Big Creek bottom, between M. P. 280 and 284, main line, Arkansas division (commenced last year)		166 77
Changing track to reach new depot, Pine Bluff, Ark. (commenced last year)		35 00
Reducing grade line on Thornton hill, M. P. 309 to 312, main line, Arkansas division (commenced last year)		893 15
Widening embankments, truing grade line, etc., M. P. 302 to 309 and 317 to 324, main line, Arkansas division		596 00
Amount carried forward		$152,671 90

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Amount brought forward		$152,671 90
New standard fence		39,650 36
New standard tile culverts		756 58
New fence around section houses—		
Saltillo, Texas	$ 50 83	
Tyler, Texas	43 21	94 04
Cost of erecting exclusive railroad telegraph wire, Texarkana, Texas, to Mt. Pleasant, Texas		1,455 73
New saw mill spurs, private and side tracks—		
Ties	$ 1,441 54	
Frogs	609 50	
Steel rails	6,136 44	
Spikes	391 20	
Splices, etc	483 25	
Switch fixtures	845 10	
Labor putting in	2,948 75	12,855 78
Engineering expenses—		
Cost of special surveys		3,410 53
Total		$210,894 92

The several items composing the expenditure for extraordinary expenses during the year ended June 30th, 1896, are as follows:

Judgment and costs in the following suits—	
Mrs. Annie Griffith, damages for assault by station employe at Greenville, Texas, June 27th, 1893	$ 2,697 55
Mrs. S. C. Rasberry, *et al.*, death of Julius Rasberry, fireman, Tyler, Texas, Feb. 8th, 1893	15,627 00
Mrs. Annie McMahon, *et al.*, death of H. McMahon, hostler, Tyler, Texas, Feb. 8th, 1893	12,136 67
R. W. Holbrook, personal injuries received June 7th, 1889	12,041 05
Cost of repairing trestle No. 554, mile 243, main line Arkansas division, damaged by fire	133 74
St. L. S. W. Ry. Co.'s proportion of extraordinary repairs to St. L., I. M. & S. Ry. Co.'s incline, used jointly, at Bird's Point, Mo., damaged by washout	2,667 45
Cost of protecting Arkansas river bridge and west bank of river at that location, which was washed out December 25th, 1895	12,452 44
Cost of repairing track damaged by washouts at various places	11,400 68
Watchmen watching and going over track after storms	336 23
Total	$69,492 81

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EXHIBIT B.

Accrued Interest on Bonds—Entire System.

The semi-annual interest on first mortgage four per cent. bonds was paid as it became due, as follows:

Coupon No. 10, due November 1st, 1895	$400,000 00
Coupon No. 11, due May 1st, 1896	400,000 00
Total	$800,000 00

EXHIBIT C.

Taxes Accrued, Fiscal Year—Entire System.

This account is charged with the monthly pro rata of taxes assessed for the year, and, whenever practicable, State and County warrants that can be purchased at a discount are bought and used in paying taxes. The difference between the face value and cost of warrants to the Company is credited to "Taxes Accrued." During the fiscal year ended June 30th, 1896, the profit on warrants purchased amounted to $4,051.50.

Taxes accrued, fiscal year ended June 30th, 1896	$128,551 97
Taxes accrued, fiscal year ended June 30th, 1895	117,729 01
Increase	$ 10,822 96

The following comparative statement shows the amount of taxes for the calendar year assessed by and paid to each State in which the line is located:

Taxes Paid, Calendar Year—Entire System.

State.	Year 1895.	Year 1894.	Increase.	Decrease.
Missouri	$ 13,599 34	$ 13,482 52	$ 116 82	—
Arkansas	52,000 59	51,018 62	981 97	—
Louisiana	4,562 10	4,697 91	—	$135 81
Texas	58,963 65	50,006 82	8,956 83	—
Total taxes paid—calendar year	$129,125 68	$119,205 87	$9,919 81	—

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EXHIBIT D.

INTEREST AND EXCHANGE—ENTIRE SYSTEM.

This account covers the net amount of expenditures for interest on floating debt.

Total for year ended June 30th, 1896	$16,184 97
Total for year ended June 30th, 1895	22,536 18
Decrease	$ 6,351 21

EXHIBIT E.

ALL OTHER PAYMENTS—ENTIRE SYSTEM.

DESCRIPTION.	Year ended June 30, 1896.	Year ended June 30, 1895.	Increase.	Decrease.
Equipment trust expenses, St. Louis Southwestern Car Trust—Series A	$14,266 75	$16,291 65	—	$2,024 90
Adjustment of sundry accounts	1,038 39	941 07	$97 32	—
Receivers' liabilities paid	—	585 28	—	585 28
Total	$15,305 14	$17,818 00	—	$2,512 86

EXHIBIT F.

INTEREST ON BONDS OWNED—ENTIRE SYSTEM.

DESCRIPTION.	Year ended June 30, 1896.	Year ended June 30, 1895.	Decrease.
Interest on first mortgage certificates of the St. Louis Southwestern Ry. Co., in Treasury, 4%	$6,866 68	$ 19,686 66	$12,819 98
Interest on $25,000 first mortgage bonds Paragould Southeastern Ry. Co., 6%	1,500 00	2,250 00	750 00
Total	$8,366 68	$ 21,936 66	$13,569 98

The large decrease in this account is explained by the sale, during the current fiscal year, of $185,000 (par value) of first mortgage certificates of the St. Louis Southwestern Ry. Co.,

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held in the Treasury, and to the fact that during the fiscal year ended June 30th, 1895, there was taken into account the interest for eighteen months on the Paragould Southeastern Ry. Co. bonds.

EXHIBIT G.

ALL OTHER RECEIPTS—ENTIRE SYSTEM.

Adjustment of sundry accounts, etc., June 30th, 1896	$1,710 02
Adjustment of sundry accounts, etc., June 30th, 1895	2,382 53
Decrease	$ 672 51

EXHIBIT H.

COST OF ROAD AND EQUIPMENT—ENTIRE SYSTEM.

YEAR ENDED JUNE 30TH, 1896.

Changes during year ended June 30th, 1896—			
RIGHT OF WAY SETTLEMENTS			$ 661 75
ADDITIONAL LAND PURCHASED—			
For yard facilities at Wolfe City, Tex.		$ 175 00	
For terminal facilities at Waco, Tex.		3,500 00	
For additional right of way for new tracks at Athens, Tex.		57 00	
For yard facilities at Gatesville, Tex.		924 30	4,656 30
EQUIPMENT—			
Engines built—			
One new engine		$8,062 05	
Cars purchased—			
One new plow car		5,500 00	
Cars built—			
Two new baggage cars	$4,492 34		
One new mail car	3,331 39	7,823 73	
		$21,385 78	
Less equipment sold—			
One narrow gauge engine sold, less cost of repairs	$2,083 21		
One flat car sold, less salvage	79 00	2,162 21	
Net addition account of equipment			19,223 57
Total net additions for the year			$ 24,541 62
Total cost to July 1st, 1895			65,422,369 05
Total cost of road and equipment to June 30th, 1896			$65,446,910 67

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EXHIBIT I.

CONSTRUCTION ACCOUNTS—ENTIRE SYSTEM.

Argenta Extension	$20,722 81
Survey—Delta to Cape Girardeau	808 14
	$21,530 95

No changes have been made in these accounts during the fiscal year ended June 30th, 1896.

EXHIBIT J.

REAL ESTATE—ENTIRE SYSTEM.

In Little Rock (not used for railroad purposes)	$27,327 95

During the fiscal year ended June 30th, 1896, no change has been made in this account.

EXHIBIT K.

INVESTMENTS IN STOCKS AND BONDS—ENTIRE SYSTEM.

CLASS OF SECURITY.	Interest received this year.	June 30, 1896.		June 30, 1895.	
		Face value.	Cost to Co.	Face value.	Cost to Co.
Capital stock, Paragould Southeastern Ry. Co.	—	$ 25,000 00	—	$ 25,000 00	—
First mortgage bonds, Paragould Southeastern Ry. Co.—6%	$1,500 00	25,000 00	$ 25,000 00	25,000 00	$ 25,000 00
First mortgage bonds, Gulf & Ship Island Ry	—	15,000 00	1,500 00	15,000 00	1,500 00
Capital stock, St. L. S. W. Ry. Co.—preferred	—	106,350 00	106,350 00	106,350 00	106,350 00
Capital stock, St. L. S. W. Ry. Co.—common	—	143,900 00	143,900 00	143,900 00	143,900 00
First mortgage certificates, St. L. S. W. Ry. Co.—4%	6,866 68	140,000 00	140,000 00	325,000 00	325,000 00
First mortgage certificates, St. L. S. W. Ry. Co.—fractional scrip	—	—	—	137 70	137 70
Second mortgage certificates, St. L. S. W. Ry. Co.	—	—	—	31,000 00	31,000 00
Second mortgage certificates, St. L. S. W. Ry. Co.—fractional scrip	—	—	—	227 50	227 50
Totals	$8,366 68	$455,250 00	$416,750 00	$671,615 20	$633,115 20
Decrease current fiscal year	—	$216,365 20	$216,365 20	—	—

The securities of the Paragould Southeastern Railway Company and the Gulf & Ship Island Railway Company, embraced in the foregoing exhibit, were received from the St. Louis,

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Arkansas & Texas Railway Company, among the assets acquired by your Company through the reorganization of the property. Such securities were originally acquired in part payment for old rails and other second hand material sold to the two Companies named. The securities of the St. Louis Southwestern Railway Company embraced in the exhibit, represent the balance of the surplus securities received from the Reorganization Committee, remaining in the Treasury.

Paragould Southeastern Railway Company.

The Paragould Southeastern Railway connects with this line at Paragould, Ark., extending from that point to Cardwell, Mo., has about twelve miles of track including sidings, and is a valuable feeder to your Company's railway.

It will be noted that interest at the rate of six per cent. on the $25,000 of first mortgage bonds of the Paragould Southeastern Railway Company, which fell due during the year, has been received by your Company, and these securities may be regarded as a first class investment. Your Company owns one-half of the capital stock, and one-half of the bonds of the Paragould Southeastern Railway Company, now outstanding. The annual report submitted by Mr. W. C. Hasty, of Paragould, Ark., President of the Company, shows the following financial results from operation, for the fiscal year ended June 30th, 1896: Gross earnings, $17,020.98, operating expenses, $12,535.38, net earnings, $4,485.60, accrued interest on bonds, accrued taxes and all other payments chargeable against net earnings, $3,126.42, surplus income, $1,359.18.

In his annual report, President Hasty says: "The condition of our track is steadily improving and we think we can safely say, that no twelve miles of track in this section of the country is any safer to run over (considering the weight of steel rail we have—35 pound) than ours is to-day. * * * * * We look for large earnings from now (July 1st, 1896) until January

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next, as the territory through which we run, will produce immense crops of cotton and corn, and our timber interests, which are large, are all in a flourishing condition. * * * * It would hardly do to close without reviewing the extension of this line, but we are still of the opinion that this road should be extended to some point directly east from Cardwell and near Little River at once."

GULF & SHIP ISLAND RAILWAY COMPANY.

The Gulf & Ship Island Railway, on which property your Company holds first mortgage bonds to the face value of $15,000 as shown in the foregoing exhibit, extends from Ripley to Pontotock, Miss., about 31 miles.

As stated in the first annual report, these bonds were acquired by the St. Louis, Arkansas & Texas Railway Company (the predecessor of your Company) in the following manner: That Company sold to the Union Investment Company of New York, second hand 35 pound rails to be used in the construction of the Gulf & Ship Island Railway. In settlement for these rails, the Union Investment Company gave its note, secured by $15,000 worth of first mortgage bonds of the Gulf & Ship Island Railway. The Union Investment Company became insolvent and was placed in the hands of a receiver. The note, when due, was protested. The collateral security of $15,000 worth of first mortgage bonds was advertised for sale, according to law, and were bid in by the St. Louis, Arkansas & Texas Railway Company for $1,500. Suit was entered on behalf of the St. Louis, Arkansas & Texas Railway Company against the Gulf & Ship Island Railway, and judgment to the amount of $12,000 was obtained. In a distribution of certain assets of the Union Investment Company, your Company received its pro rata proportion in September, 1892, amounting to $2,228.36, net, which was applied to the credit of the judgment. The Legal Department advise that negotiations now pending, promise upon

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surrender of these bonds, to yield in a month or two a further net collection of about $6,000 in full settlement of all demands against the Gulf & Ship Island Railway Company and the Union Investment Company. In view of all these facts, this settlement, if effected by the Legal Department, must be regarded as a very favorable one to your Company.

EXHIBIT L.

CAPITAL STOCK—ENTIRE SYSTEM.

JUNE 30TH, 1896.

DESCRIPTION.	Number of shares authorized.	Par value of shares.	Total par value authorized.	Total amount issued and outstanding.
Preferred	200,000	$100 00	$20,000,000 00	$20,000,000 00
Common	165,000	100 00	16,500,000 00	16,500,000 00
Totals	365,000	—	$36,500,000 00	$36,500,000 00

No change has been made in this account during the current fiscal year.

EXHIBIT M.

FUNDED DEBT—ENTIRE SYSTEM.

JUNE 30TH, 1896.

DESCRIPTION.	Time.		Amount of authorized issue.	Amount issued.	Amount outstanding.	Interest.	
	Date of issue.	When due.				Rate.	When payable.
First mortgage bonds	Nov. 1, 1890.	Nov. 1, 1989.	$20,000,000 00	$20,000,000 00	$20,000,000 00	4%	May and Novemb'r
Second mortgage, income, bonds	Nov. 1, 1890.	Nov. 1, 1989.	10,000,000 00	8,000,000 00	8,000,000 00	*4%	January and July.
Totals .	—	—	$30,000,000 00	$28,000,000 00	$28,000,000 00	—	—

*If earned.

No change has been made in this account during the current fiscal year.

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EXHIBIT N.

EQUIPMENT TRUST OBLIGATIONS.

JUNE 30TH, 1896.

Total outstanding (not due) June 30th, 1895	$470,499 62
Deduct—	
Notes paid during fiscal year ended June 30th, 1896, amounting to . .	111,407 02
Total outstanding June 30th, 1896, shown in detail below	$359,092 60

WHEN DUE.	St. L. Ark. & Tex. Ry.		St. L. S. W. Ry.	Total.
	Series "A 1."	Series "A 37."	Series "A."	
Due during year ended June 30th, 1896, extended	—	$11,404 80	$25,000 00	$ 36,404 80
Due during year ending June 30th, 1897	$20,984 90	26,145 16	25,000 00	72,130 06
" " " " " 30th, 1898	—	77,285 16	25,000 00	102,285 16
" " " " " 30th, 1899	—	23,272 58	25,000 00	48,272 58
" " " " " 30th, 1900	—	—	25,000 00	25,000 00
" " " " " 30th, 1901	—	—	25,000 00	25,000 00
" " " " " 30th, 1902	—	—	25,000 00	25,000 00
" " " " " 30th, 1903	—	—	25,000 00	25,000 00
Totals	$20,984 90	$138,107 70	$200,000 00	$359,092 60
Average annual payment for seven years	—	—	—	$ 51,298 94

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EXHIBIT O.

FLOATING DEBT—ENTIRE SYSTEM.

JUNE 30TH, 1896.

ACCOUNTS.	June 30th, 1896.	June 30th, 1895.	+ Increase, - Decrease, This Year.
DEFERRED AND CURRENT LIABILITIES.			
DEFERRED—			
Notes payable—due on stated dates after July 1st	$ 312,415 00	$ 15,130 65	+$ 297,284 35
Interest on bonds—accrued, not due until November 1st	133,333 33	133,333 33	—
Taxes accrued to June 30th—not due until December 31st	61,870 10	59,072 21	+ 2,797 89
Hospital fund	3,295 72	1,398 26	+ 1,897 46
	$ 510,914 15	$ 208,934 45	+$ 301,979 70
CURRENT—			
Audited vouchers unpaid	$ 437,339 68	$ 350,307 31	+$ 87,032 37
Audited pay rolls unpaid	262,672 45	294,879 46	- 32,207 01
Interest on bonds—due and unpaid (unpresented coupons)	38,560 00	40,460 00	- 1,900 00
Notes payable—due on demand	75,600 00	175,500 00	- 99,900 00
	$ 814,172 13	$ 861,146 77	-$ 46,974 64
Total deferred and current liabilities	$1,325,086 28	$1,070,081 22	+$ 255,005 06
CURRENT ASSETS.			
CASH—			
In hands of Treasurer	$ 51,268 21	$ 43,347 52	+$ 7,920 69
Remittances in transit from agents and conductors	52,692 48	65,403 82	- 12,711 34
In hands of Paymaster	4,629 00	6,997 87	- 2,368 87
Central Trust Co. of New York—to pay unpresented coupons	38,560 00	40,460 00	- 1,900 00
On deposit with Brooklyn Trust Co., N.Y.	3,194 97	—	+ 3,194 97
	$ 150,344 66	$ 156,209 21	-$ 5,864 55
SUNDRY ACCOUNTS COLLECTIBLE—			
Station agents and conductors	$ 25,043 99	$ 46,710 17	-$ 21,666 18
Bills receivable	8,058 73	1,513 84	+ 6,544 89
U. S. Post Office Department	38,800 29	29,920 85	+ 8,879 44
Pacific Express Co.	6,000 00	6,000 00	—
Individuals and companies—open acc'ts	93,365 50	40,787 46	+ 52,578 04
	$ 171,268 51	$ 124,932 32	+$ 46,336 19
ADVANCES TO SUNDRY AGENTS	$ 6,333 88	$ 16,085 66	-$ 9,751 78
PREPAID INSURANCE	$ 2,266 70	$ 3,357 90	-$ 1,091 20
SUPPLIES AND MATERIAL ON HAND—			
Shop supplies	$ 125,571 51	$ 118,165 46	+$ 7,406 05
Fuel	27,566 89	23,498 14	+ 4,068 75
Bridge and building material	58,168 12	53,629 04	+ 4,539 08
Cross ties	18,000 70	22,465 88	- 4,465 18
Steel rails—new	36,423 03	11,676 67	+ 24,746 36
Second-hand rails	17,668 08	15,763 32	+ 1,904 76
Stationery stock	5,875 80	6,214 06	- 338 26
	$ 289,274 13	$ 251,412 57	+$ 37,861 56
Total current assets	$ 619,487 88	$ 551,997 66	+$ 67,490 22
FLOATING DEBT, or balance of deferred and current liabilities in excess of current assets	$ 705,598 40	$ 518,083 56	+$ 187,514 84
Less market value, June 30th, of other available assets owned by the Company, consisting of investments in stocks and bonds, as shown by Exhibit K.	137,750 75	326,747 26	- 188,996 51
NET FLOATING DEBT, JUNE 30TH	$ 567,847 65	$ 191,336 30	+$ 376,511 35

The increase of $187,514.84 in floating debt, or amount of deferred and current liabilities in excess of current assets, is the natural result of the deficit of a similar amount in operation for

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the current fiscal year, the conditions surrounding which having been heretofore explained. The decrease of $188,996.51 in the market value of "other available assets," in the form of stocks and bonds owned, is explained by the sale during the current fiscal year of first and second mortgage certificates of the St. Louis Southwestern Railway Company in the Treasury to the amount of $216,365.20 (par value), and, also, in a measure, to the difference caused by the fluctuation in the market value of such securities remaining in the Treasury June 30th, 1896.

A careful analysis of the foregoing statement will demonstrate that the actual financial condition of your Company with respect to its floating indebtedness is much better than appears from a cursory glance at the statement. There are included in this statement under the head of "deferred liabilities," first, interest on first mortgage bonds accrued to June 30th but not due until November 1st, 1896, $133,333.33, second, taxes for the year 1896 accrued to June 30th, but not due until 1897, $61,870.10. Excluding from the exhibit of floating debt these items of interest and taxes accrued but not due, aggregating $195,203.43, the result will show a net floating debt of $372,644.22. The amount of this net floating debt is principally covered by notes payable to the amount of $312,415.00 due on stated dates after July 1st, 1896, mainly during the fall and winter months, the largest business months of the year.

EXHIBIT P.

MISCELLANEOUS ACCOUNTS—ENTIRE SYSTEM.
JUNE 30TH, 1896.

DESCRIPTION.	Year ended June 30, 1896.	Year ended June 30, 1895.	Increase.	Decrease.
Equipment replacement fund	$53,905 00	$79,505 00	—	$25,600 00
Donated town lot sales	5,301 00	4,955 00	$346 00	—
Totals	$59,206 00	$84,460 00	—	$25,254 00

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Summary of Financial Transactions—Entire System.

Year Ended June 30th, 1896.

The following statement, considered in connection with the foregoing financial statements, furnishes in a condensed form an analysis of all resources, showing also, how the same were appropriated, during the fiscal year ended June 30th, 1896:

RESOURCES.		
Cash balance July 1st, 1895		$ 43,347 52
Gross earnings from operation fiscal year ended June 30th, 1896	$4,904,489 86	
Miscellaneous income fiscal year ended June 30th, 1896	10,076 70	
Sale of St. L. S. W. Ry. securities—face value	216,365 20	
Increase of deferred liabilities	301,979 70	5,432,911 46
		$5,476,258 98
APPROPRIATION OF RESOURCES		
Operating expenses (including betterments) for fiscal year ended June 30th, 1896	$4,132,374 54	
Interest on bonds, taxes and all other payments charged against income for fiscal year ended June 30th, 1896	960,042 08	
Equipment trust obligations paid during current fiscal year	111,407 02	
Increase of cost of road and equipment as shown in exhibit H, page 23	24,541 62	
Discount on St. L. S. W. Ry. securities in Treasury, sold during current fiscal year	64,827 34	
Increase of current assets (exclusive of cash in hands of Treasurer)	59,569 53	
Decrease of current liabilities	46,974 64	
Decrease of miscellaneous accounts	25,254 00	5,424,990 77
Cash balance June 30th, 1896		$ 51,268 21

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TRAFFIC.

FREIGHT TRAFFIC.

TONNAGE AND REVENUE—ENTIRE SYSTEM.

ITEM.	Year ended June 30, 1896.	Year ended June 30, 1895.	Increase.	Per Cent.	Decrease.	Per Cent.
No. of tons carried . .	1,487,078	1,470,257	16,821	1.14	—	—
No. of tons carried one mile	312,998,714	309,245,333	3,753,481	1.21	—	—
Average distance haul of one ton (miles) . .	210.48	210.33	.15	.07	—	—
*Total freight revenue .	$3,685,638.68	$4,072,163.50	—	—	$386,524.82	9.49
*Average revenue per ton	$2.4784	$2.7697	—	—	$0.2913	10.52
*Average revenue per ton per mile	$0.0118	$0.0132	—	—	$0.0014	10.61

* Actual revenue derived from hauling freight, not including any portion of miscellaneous revenue.

From the foregoing table it will be noted that there was an increase of 16,821 tons, or 1.14 per cent. in the total tonnage transported, and an increase of 3,753,481, or 1.21 per cent. in the tons transported one mile during the fiscal year just ended. On the other hand, the total freight revenue decreased $386,524.82, or 9.49 per cent., and, in explanation of this disparity, attention

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is directed to the table on page 34, which shows an increase in the tonnage of low class freight, principally lumber, and a decrease in the tonnage of cotton and cotton seed products, high rate commodities. The same explanation applies to the decrease in the average freight revenue per ton of $0.2913, or 10.52 per cent., and in the average freight revenue per ton per mile of $0.0014, or 10.61 per cent., which decreases, it will be observed, are in about the same proportion as the percentage of decrease in freight revenue. Rates were steadily maintained during the current fiscal year, and, in connection therewith, it is appropriate to state that in April, 1896, the Southwestern Traffic Association, of which this line is a member, was strengthened by the addition of a board of administration, consisting of a representative from each of the lines interested in the Association, the board holding daily meetings at its headquarters in St. Louis, and each member thereof devoting his entire time to the Association, which, it is believed, will have the effect of maintaining stable rates, as well as otherwise protecting the joint traffic interests of the lines members of the Association.

The average distance haul per ton remains about the same as the preceding year, the increase being but .15 of one mile, or .07 of one per cent.

Following this will be found a table showing the number of tons of each commodity transported during the fiscal year ended June 30th, 1896, compared with the preceding fiscal year. The general tonnage movement is clearly set forth in this table, which also shows the increase or decrease in the tonnage of each commodity, the relative percentage of the tonnage of each commodity to the total tonnage of all commodities, and the relative percentage of increase or decrease in the tonnage of each commodity.

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Classification of Tonnage—Entire System.

Total Tonnage Transported.

Commodities.	Year ended June 30, 1896.		Year ended June 30, 1895.		Increase.		Decrease.	
	Tons.	Per Cent.	Tons.	Per Cent.	Tons.	Per Cent.	Tons.	Per Cent.
Lumber	757,873	50.96	698,179	47.49	59,694	8.55	—	—
Cotton	97,621	6.56	163,022	11.09	—	—	65,401	40.12
Cotton seed products	71,336	4.80	106,456	7.24	—	—	35,120	32.99
Grain	81,367	5.47	61,378	4.17	19,989	32.57	—	—
Flour	58,673	3.95	57,653	3.92	1,020	1.77	—	—
Other mill products	15,302	1.03	21,454	1.46	—	—	6,152	28.68
Hay	35,759	2.40	28,989	1.97	6,770	23.35	—	—
Tobacco	400	.03	373	.03	27	7.24	—	—
Vegetables	22,360	1.50	15,449	1.05	6,911	44.73	—	—
Live stock	58,147	3.91	51,204	3.48	6,943	13.56	—	—
Bacon	12,448	.84	10,647	.72	1,801	16.92	—	—
Merchandise	68,125	4.58	64,504	4.39	3,621	5.61	—	—
Coal (includ'g charcoal)	52,066	3.50	47,246	3.21	4,820	10.20	—	—
Oil	12,307	.83	13,220	.90	—	—	913	6.91
Sugar	7,015	.47	7,657	.52	—	—	642	8.38
Agricultural implements	3,484	.23	3,615	.25	—	—	131	3.62
Emigrant outfit	8,122	.55	7,116	.48	1,006	14.14	—	—
Salt	9,746	.66	8,530	.58	1,216	14.26	—	—
Wine, liquors and beer	5,917	.40	5,692	.39	225	3.95	—	—
Miscellaneous	109,010	7.33	97,873	6.66	11,137	11.38	—	—
Total	1,487,078	100.00	1,470,257	100.00	125,180	—	108,359	—
Net increase					16,821	1.14	—	—

By referring to the foregoing table it will be noted that the only commodities showing a material decrease are cotton and cotton seed products, all others having increased excepting "other mill products," oil, sugar and agricultural implements, which show slight decreases.

The lumber movement exceeds that of the previous year by 59,694 tons, or 8.55 per cent. It is worthy of note that this commodity forms more than one-half of the tonnage transported during the fiscal year for which this report is made, viz., 50.96 per cent.

In the section tributary to this line the cotton crop of the season 1894–1895 was the largest ever grown. The prevailing low price of cotton during that season resulted in a largely decreased acreage for the season 1895–1896, and the tonnage of cotton transported by this line during the year for which this report is made, as compared with the preceding year, decreased

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252,928 bales, or 40.12 per cent., while cotton seed products decreased 35,120 tons, or 32.99 per cent. To the decrease in these two commodities is directly traceable the decrease in total freight earnings for the current fiscal year. Following will be found a brief table giving the number of bales of cotton transported, tonnage and percentage of tonnage to total tonnage transported, and the revenue, and percentage of revenue to total freight revenue, for the years ended June 30th, 1893, 1894, 1895, 1896:

COTTON.

Year ended June 30.	No. of bales.	No. of tons.	Per cent. of tonnage to total tonnage.	Revenue.	Per cent. of revenue to total freight revenue.
1893	331,726	84,690	05.62	$ 643,312 14	16.13
1894	400,480	101,994	07.68	744,484 37	21.28
1895	628,015	163,022	11.09	1,019,333 51	25.03
1896	375,087	97,621	06.56	597,907 80	16.22

This table shows that while cotton forms but a small percentage of the total tonnage transported, the revenue derived from cotton forms quite a large percentage of the total freight revenue.

The increase in the grain movement of 19,989 tons, or 32.57 per cent., does not indicate an unusual movement of this commodity, but is due to the exceptionally light grain tonnage of the preceding year, against which comparison is made.

The tonnage of hay shows a good increase over the preceding year, and the increase represents principally business which originated on this line.

The increase in the tonnage of vegetables of 6,911 tons or 44.73 per cent., is attributable to the further development of water melon production in southeast Missouri, and to fruit and vegetable production in eastern Texas.

The live stock movement was substantially increased during the current fiscal year by 6,943 tons or 13.56 per cent., which is very gratifying in view of the strong competition for this class of freight.

Miscellaneous freight, which includes all car-load freight not classified under other headings, increased 11,137 tons, or 11.38 per cent.

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The information shown in the table of "Classification of Tonnage" on page 34, subdivided under "Tonnage originating on this system" and "Tonnage received from connecting roads," will be found in the following tables:

TONNAGE ORIGINATING ON THIS SYSTEM.

COMMODITIES.	Year ended June 30, 1896.		Year ended June 30, 1895.		Increase.		Decrease.	
	Tons.	Per Cent. of commodity total.	Tons.	Per Cent. of commodity total.	Tons.	Per Cent.	Tons.	Per Cent.
Lumber	689,948	91.04	638,027	91.38	51,921	8.14	—	—
Cotton	90,914	93.13	148,520	91.10	—	—	57,606	38.79
Cotton seed products	66,522	93.25	96,825	90.95	—	—	30,303	31.30
Grain	53,553	65.82	38,168	62.19	15,385	40.31	—	—
Flour	8,204	13.98	9,731	16.88	—	—	1,527	15.69
Other mill products	9,294	60.74	7,182	33.48	2,112	29.39	—	—
Hay	23,237	64.98	19,019	65.61	4,218	22.18	—	—
Tobacco	13	3.25	18	4.83	—	—	5	27.78
Vegetables	11,791	52.73	8,513	55.10	3,278	38.51	—	—
Live stock	42,364	72.86	35,362	69.06	7,002	19.80	—	—
Bacon	697	5.60	394	3.70	303	76.90	—	—
Merchandise	30,783	45.19	28,387	44.01	2,396	8.44	—	—
Coal (includ'g charcoal)	21,508	41.31	9,650	20.43	11,858	122.88	—	—
Oil	768	6.24	3,293	24.91	—	—	2,525	76.68
Sugar	327	4.66	348	4.54	—	—	21	6.03
Agricultural implements	376	10.79	612	16.93	—	—	236	38.56
Emigrant outfit	2,560	31.52	1,976	27.77	584	29.55	—	—
Salt	926	9.50	222	2.60	704	317.12	—	—
Wine, liquors and beer	447	7.55	257	4.52	190	73.93	—	—
Miscellaneous	50,025	45.89	37,145	37.95	12,880	34.67	—	—
Total	1,104,257	74.26	1,083,649	73.70	112,831	—	92,223	—

TONNAGE RECEIVED FROM CONNECTING ROADS.

COMMODITIES.	Year ended June 30, 1896.		Year ended June 30, 1895.		Increase.		Decrease.	
	Tons.	Per Cent. of commodity total.	Tons.	Per Cent. of commodity total.	Tons.	Per Cent.	Tons.	Per Cent.
Lumber	67,925	8.96	60,152	8.62	7,773	12.92	—	—
Cotton	6,707	6.87	14,502	8.90	—	—	7,795	53.75
Cotton seed products	4,814	6.75	9,631	9.05	—	—	4,817	50.02
Grain	27,814	34.18	23,210	37.81	4,604	19.84	—	—
Flour	50,469	86.02	47,922	83.12	2,547	5.32	—	—
Other mill products	6,008	39.26	14,272	66.52	—	—	8,264	57.90
Hay	12,522	35.02	9,970	34.39	2,552	25.60	—	—
Tobacco	387	96.75	355	95.17	32	9.01	—	—
Vegetables	10,569	47.27	6,936	44.90	3,633	52.38	—	—
Live stock	15,783	27.14	15,842	30.94	—	—	59	.37
Bacon	11,751	94.40	10,253	96.30	1,498	14.61	—	—
Merchandise	37,342	54.81	36,117	55.99	1,225	3.39	—	—
Coal (includ'g charcoal)	30,558	58.69	37,596	79.57	—	—	7,038	18.72
Oil	11,539	93.76	9,927	75.09	1,612	16.24	—	—
Sugar	6,688	95.34	7,309	95.46	—	—	621	8.50
Agricultural implements	3,108	89.21	3,003	83.07	105	3.50	—	—
Emigrant outfit	5,562	68.48	5,140	72.23	422	8.21	—	—
Salt	8,820	90.50	8,308	97.40	512	6.16	—	—
Wine, liquors and beer	5,470	92.45	5,435	95.48	35	.64	—	—
Miscellaneous	58,985	54.11	60,728	62.05	—	—	1,743	2.87
Total	382,821	25.74	386,608	26.30	26,550	—	30,337	—

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The first of these tables is especially interesting as reflecting the resources of the country traversed, and the fact that 74.26 per cent. of the total tonnage transported originated on this System must be taken as a healthy indication of the productiveness of the contiguous country.

New industries located along this line during the year ended June 30th, 1896, and extensions of old industries during the same period are as follows:

ST. LOUIS SOUTHWESTERN RAILWAY.

Dale, Mo. (M. P. 4)—Saw mill erected.

Jonesboro, Ark.—Large heading factory erected. Flour mill erected.

Pine Bluff, Ark.—Stave factory erected.

Fordyce, Ark.—Capacity of the Fordyce Lumber Company's saw mill increased from 60,000 to 100,000 feet per day.

Thornton, Ark.—The Yellow Pine Lumber Manufacturing Company has put in a new mill increasing its daily capacity from 40,000 to 150,000 feet per day.

Best's Switch, Ark. (M. P. 320)—A new mill has been built doubling the capacity at this point.

Onalaska, Ark. (M. P. 328)—The Cotton Belt Lumber Company has erected a large mill with a daily capacity of 100,000 feet. They are at present operating a mill at M. P. 370, where the lumber is about cut out, and which will be abandoned during the fall of 1896.

Lumber, Ark. (M. P. 376)—New saw mill is in process of erection.

ST. LOUIS SOUTHWESTERN RAILWAY OF TEXAS.

Texarkana, Tex.—The Texarkana Oil & Delinting Company has built a plant for the purpose of delinting cotton.

Redwater, Tex.—A 60-saw gin, capacity 10 bales per day, has been erected.

Naples, Tex.—A large shingle mill has been erected.

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Mt. Pleasant, Tex.—A saw mill to cut oak and pine lumber, capacity 15,000 feet per day, has been erected. A paint factory has been erected at Material yard, about one-half mile west of station. The material for making this paint is clay, which is found abundant in this vicinity. All colors of paint will be manufactured except white. The Dallas Brewing Company has put in an ice and beer house a short distance from the depot.

Mt. Vernon, Tex.—A large brick yard has been erected.

Greenville, Tex.—An oil mill of 80 tons capacity has been erected.

Carrollton, Tex.—A 60-saw cotton gin, capacity 10 bales per day, has been erected.

Wolfe City, Tex.—A foundry and machine shop has been erected.

Smith's Mill, Tex. (M. P. 500.8)—A new saw mill with a daily capacity of 15,000 feet has been erected.

Pritchett, Tex. (M. P. 516.1)—A new saw mill with a daily capacity of 20,000 feet has been erected.

Lignite, Tex. (M. P. 586)—A lignite bed of coal has been opened up with vein of about seven feet in thickness.

Corsicana, Tex.—In boring an artesian well an oil vein was discovered about 1,000 feet below the surface. Wells are being sunk to tap this oil vein, which promise well, both as to quality and quantity.

Waco and East Waco, Tex.—Plants have been established for compressing cotton under the Bessonnette system (cylindrical bales).

Hubbard City, Tex.—A plant has been established for compressing cotton under the Bessonnette system (cylindrical bales).

Lime City, Tex.—The capacity of the lime plant at this point has been increased by the erection of three modern lime kilns.

McGregor, Tex.—A cotton compress has been erected. An oil mill has been erected.

Gatesville, Tex.—A cotton compress has been erected.

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TYLER SOUTHEASTERN RAILWAY.

Durham, Tex. (M. P. E 613.6)—A saw mill and planer has been erected.

Spinks, Tex. (M. P. E 615.5)—A saw mill has been erected, capacity 15,000 feet per day.

PASSENGER TRAFFIC.

PASSENGERS CARRIED AND REVENUE—ENTIRE SYSTEM.

ITEM.	Year ended June 30, 1896.	Year ended June 30, 1895.	Increase.	Per Cent.	Decrease.	Per Cent.
Number of passengers carried . .	935,555	838,984	96,571	11.51	—	—
Number of passengers carried one mile	40,159,897	36,744,040	3,415,857	9.30	—	—
Average distance one passenger carried (miles)	42.93	43.80	—	—	.87	1.99
*Total passenger revenue	$944,146.62	$889,304.61	$54,842.01	6.17	—	—
*Average revenue per passenger	$1.0092	$1.0600	—	—	$0.0508	4.79
*Average revenue per passenger per mile	$0.0235	$0.0242	—	—	$0.0007	2.89

*Actual revenue derived from hauling passengers, not including mail and express, nor any portion of miscellaneous revenue.

The foregoing table shows very gratifying results from passenger traffic for the fiscal year ended June 30th, 1896, the total annual passenger revenue closely approaching the one million dollar mark. The number of passengers carried increased 96,571, or 11.51 per cent., the number of passengers carried one mile 3,415,857, or 9.30 per cent., and the total passenger revenue $54,842.01, or 6.17 per cent. The average distance one passenger carried decreased .87 of one mile, or 1.99 per cent.; the average revenue per passenger decreased $0.0508, or 4.79 per cent., and the average revenue per passenger per mile decreased $0.0007, or 2.89 per cent.

Following this will be found an analytical table showing the general passenger movement properly classified for the fiscal year ended June 30th, 1896, compared with the preceding fiscal year:

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CLASSIFICATION OF PASSENGER AND PASSENGER REVENUE—ENTIRE SYSTEM.

ITEM.	Year ended June 30, 1896.	Year ended June 30, 1895.	Increase.	Per Cent.	Decrease.	Per Cent.
PASSENGERS CARRIED—						
Local tickets	727,112	654,262	72,850	11.13	—	—
Cash fares	128,978	117,606	11,372	9.67	—	—
Home coupon tickets	37,776	30,209	7,567	25.05	—	—
Foreign coupon tickets	41,689	36,907	4,782	12.96	—	—
TOTAL	935,555	838,984	96,571	11.51	—	—
PASSENGERS CARRIED ONE MILE—						
Local tickets	21,228,234	19,345,161	1,883,073	9.73	—	—
Cash fares	1,758,885	1,675,547	83,338	4.97	—	—
Home coupon tickets	7,294,308	6,040,350	1,253,958	20.76	—	—
Foreign coupon tickets	9,878,470	9,682,982	195,488	2.02	—	—
TOTAL	40,159,897	36,744,040	3,415,857	9.30	—	—
PASSENGER REVENUE—						
Local tickets	$564,577 59	$528,807 28	$35,770 31	6.76	—	—
Cash fares	53,445 59	52,308 07	1,137 52	2.17	—	—
Home coupon tickets	132,227 65	116,619 50	15,608 15	13.38	—	—
Foreign coupon tickets	193,895 79	191,569 76	2,326 03	1.21	—	—
TOTAL	$944,146 62	$889,304 61	$54,842 01	6.17	—	—
REVENUE PER PASSENGER—						
Local tickets	$0.7765	$0.8082	—	—	$0.0317	3.92
Cash fares	0.4144	0.4448	—	—	0.0304	6.83
Home coupon tickets	3.5003	3.8604	—	—	0.3601	9.33
Foreign coupon tickets	4.6510	5.1906	—	—	0.5396	10.40
TOTAL	$1.0092	$1.0600	—	—	$0.0508	4.79
REVENUE PER PASSENGER PER MILE—						
Local tickets	$0.0266	$0.0273	—	—	$0.0007	2.56
Cash fares	0.0304	0.0312	—	—	0.0008	2.56
Home coupon tickets	0.0181	0.0193	—	—	0.0012	6.22
Foreign coupon tickets	0.0196	0.0198	—	—	0.0002	1.01
TOTAL	$0.0235	$0.0242	—	—	$0.0007	2.89

NOTE.—The foregoing results are based on actual revenue derived from hauling passengers, not including mail and express, nor any portion of miscellaneous revenue.

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Mail Traffic.

Mail revenue fiscal year ended June 30th, 1896	$143,208 89
Mail revenue fiscal year ended June 30th, 1895	119,327 98
Increase	$ 23,880 91
Per cent. of increase	20.01

The increase in mail revenue is due to the following causes: In the spring of 1895, the mails on the routes extending through the States of Missouri and Arkansas were weighed, and the increased compensation from such weighing was effective from July 1st, 1895. On that date a line of vestibuled railway post office cars was put into service between Cairo and Texarkana, and on January 1st, 1896, six months after the establishment of the line, according to the United States Post Office Department regulations, the compensation for transporting mails on the route extending between Cairo and Texarkana was increased $10,600.00 per annum on account of such vestibuled post office cars, one-half of which, or $5,300.00 was included in the mail revenue for the year ended June 30th, 1896. The compensation for carrying the United States mails on the entire System now amounts to nearly $150,000.00 per annum.

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CONDUCTING TRANSPORTATION.

TRAIN AND CAR MILEAGE STATISTICS—ENTIRE SYSTEM.

COMPARATIVE FOR YEARS ENDED JUNE 30TH, 1896-95.

FREIGHT.	Year ended June 30, 1896.	Year ended June 30, 1895.	Increase.	Per Cent.	Decrease.	Per Cent.
No. of trains run	23,814	22,202	1,612	7.26	—	—
No. of loaded cars moved	401,318	393,158	8,160	2.08	—	—
No. of empty cars moved	185,168	173,753	11,415	6.57	—	—
Total No. of cars moved	586,486	566,911	19,575	3.45	—	—
No. of miles run by all freight trains (includ'g mixed trains)	1,987,431	1,940,257	47,174	2.43	—	—
No. of miles run by loaded cars	28,720,774	28,913,339	—	—	192,565	.67
No. of miles run by empty cars	10,461,446	10,071,485	389,961	3.87	—	—
No. of miles run by all cars	39,182,220	38,984,824	197,396	.51	—	—
No. of miles run by home cars	18,982,235	20,221,920	—	—	1,239,685	6.13
No. of miles run by foreign cars	20,199,985	18,762,904	1,437,081	7.66	—	—
No. of miles run by home cars on foreign lines	11,541,435	9,930,917	1,610,518	16.22	—	—
Percentage of empty car mileage to total car mileage	26.70	25.83	.87	3.37	—	—
Average No. of trains run daily	65	61	4	6.56	—	—
Average No. of loaded cars moved daily	1,096	1,077	19	1.76	—	—
Average No. of empty cars moved daily	506	476	30	6.30	—	—
Average No. of all cars moved daily	1,602	1,553	49	3.16	—	—
Average No. of loaded cars in each train	14.46	14.90	—	—	.44	2.95
Average load per loaded car (tons)	10.90	10.70	.20	1.87	—	—
Average load per train (tons)	157.49	159.38	—	—	1.89	1.18
Average No. of empty cars in each train	5.26	5.19	.07	1.35	—	—
Average No. of all cars in each train	19.72	20.09	—	—	.37	1.84
Average No. of miles run by trains daily	5,430	5,316	114	2.14	—	—
Average No. of miles run by each train	83	87	—	—	4	4.60
Average No. of miles run by loaded cars in each train	1,206	1,302	—	—	96	7.37
Average No. of miles run by empty cars in each train	439	454	—	—	15	3.30
Average No. of miles run by all cars in each train	1,645	1,756	—	—	111	6.32
Average No. of miles run per car per day—home cars	24	24	—	—	—	—
Average No. of miles run per car per day—foreign cars	25	22	3	13.64	—	—
Average No. of miles run per car per day—this Company's cars on foreign lines	19	18	1	5.56	—	—
Average No. of cars on line—home	2,171	2,345	—	—	174	7.42
Average No. of cars on line-foreign	2,185	2,322	—	—	137	5.90
Average No. of this Company's cars on foreign lines	1,655	1,537	118	7.68	—	—

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TRAIN AND CAR MILEAGE STATISTICS—ENTIRE SYSTEM—*Continued.*

PASSENGER.	Year ended June 30, 1896.	Year ended June 30, 1895.	Increase.	Per Cent.	Decrease.	Per Cent.
No. of trains run	9,649	9,317	332	3.56	—	—
No. of cars moved	40,733	38,711	2,022	5.22	—	—
No. of miles run by trains (not including mixed trains)	1,440,748	1,358,605	82,143	6.05	—	—
No. of miles run by home cars	4,840,535	4,555,758	284,777	6.25	—	—
No. of miles run by foreign cars	1,228,375	897,278	331,097	36.90	—	—
No. of miles run by all cars	6,068,910	5,453,036	615,874	11.29	—	—
Average No. of trains run daily	26	26	—	—	—	—
Average No. of cars moved daily	111	106	5	4.72	—	—
Average No. of cars moved in each train	3.99	3.79	.20	5.28	—	—
Average No. of miles run by trains daily	3,936	3,722	214	5.75	—	—
Average No. of miles run by each train	149	146	3	2.05	—	—
Average No. of miles run by cars daily	16,582	14,940	1,642	10.99	—	—
Average No. of miles run per car per day—home cars	157	160	—	—	3	1.88
Average No. of miles run per car per day—foreign cars	177	129	48	37.21	—	—
Average No. of cars on line—home	84	78	6	7.69	—	—
Average No. of cars on line—foreign	19	19	—	—	—	—

FREIGHT.

No material change took place in the number of freight cars owned and leased during the year ended June 30th, 1896, the aggregate number remaining practically the same as during the preceding fiscal year, as may be seen by an examination of the statement of equipment on page 64.

The shortage in the cotton crop had an unfavorable influence on the record of the car service department. The transportation of cotton usually involves a long haul of a large portion of the crop to Northern connections; the large decrease in cotton shipments, therefore, caused a reduction in these long and profitable hauls, which prevented as good a showing as might otherwise have been made in the handling of freight cars.

The sharp competition in the matter of quick time in transit, mentioned in the last annual report, has continued throughout the year, and has made it necessary to run a still larger number of foreign cars through to destination without transferring, thus causing an empty return haul of such cars, which might have

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been avoided if the conditions would have permitted the transfer of such cars at junction points.

While these conditions were detrimental to the economical handling of the freight car equipment, a careful examination of the preceding table will reveal some comparisons with the preceding fiscal year which are very gratifying.

The increase of 1.14 per cent. in total tonnage transported was accomplished with an increase of only 2.43 per cent. in freight train mileage, and with a decrease of .67 of one per cent. in loaded car mileage. While the empty car mileage increased 3.87 per cent., it will be noted that the total car mileage has increased only .51 of one per cent., which is a cause for congratulation, when the increase in total tonnage transported and the unfavorable conditions that prevailed throughout the year are taken into consideration.

The mileage of home cars on this line decreased 1,239,685 miles, or 6.13 per cent., but to offset this the mileage of home cars on foreign lines increased 1,610,518 miles, or 16.22 per cent. The total mileage made by home cars both on and off the line during the fiscal year ended June 30th, 1896, compared with the preceding year, shows an increase of 370,833 miles, or 1.23 per cent. The average number of miles run per car per day by home cars on this line is again 24 miles, the mark at which this average has now stood for four years. The average number of miles run per car per day by foreign cars on this line is 25 against 22 during the preceding year. The average number of loaded and empty cars in each train remains practically the same as during the preceding year, and the average load per loaded car has increased .20 of one ton, or 1.87 per cent.

The following table shows the amount earned by St. Louis Southwestern System freight cars on foreign roads, and the amount paid for mileage of foreign cars on this line during the year ended June 30th, 1896, compared with the year ended June 30th, 1895:

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Description.	Year ended June 30, 1896.	Year ended June 30, 1895.	Increase.	Decrease.
Amount earned by foreign freight cars on St. L. S. W. Ry. Entire System.	$129,290 18	$115,455 80	$13,834 38	—
Amount earned by St. L. S. W. Ry. System freight cars on foreign roads.	74,574 47	60,050 08	14,524 39	—
Net balance due foreign roads .	$54,715 71	$55,405 72	—	$690 01

The figures contained in the foregoing table show an increase of $13,834.38 in the mileage of foreign freight cars on this line, which is caused principally by the increase in the mileage of foreign cars belonging to other railroads, and of refrigerator cars, the mileage of patent stable cars remaining about the same as during the year ended June 30th, 1895.

In order to offset the increase in the mileage of foreign cars on this line, the policy of loading the cars belonging to your Company to points off the line was practiced freely, and not only for this purpose, but also, by avoiding transfer at junction points, to reduce claims for damage incident to such transfers. Under this policy it will be noted that the increase in the mileage of your Company's cars on foreign lines has more than offset the increase in mileage of foreign freight cars on this line, thus effecting a decrease of $690.01 in the net balance due foreign roads.

The rates of mileage charged were the same during both years compared.

Passenger.

In the statement covering the performance of passenger equipment, it will be noticed that increases have occurred in nearly all the items included therein, the natural result of the increase of 11.51 per cent. in number of passengers carried, and the increase of 6.17 per cent. of passenger revenue. The increase in the mileage of foreign cars on this line is due mainly to the establishment of a through sleeping car service between St. Louis and Shreveport, which was commenced in July, 1895.

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MAINTENANCE OF WAY.

ROAD DEPARTMENT.

CHARACTER OF RAIL IN MAIN TRACK, JUNE 30, 1896.

LOCATION.	75-lb. Steel. Track miles.	56-lb. Steel. Track miles.	35-lb. Steel. Track miles.	Total Track miles.
ST. LOUIS SOUTHWESTERN RY. CO.				
Main Line	13.31	404.69	—	418.00
New Madrid Branch	—	—	5.70	5.70
Delta Branch	—	51.40	—	51.40
Little Rock Branch	—	41.20	.50	41.70
Magnolia Branch	—	.02	6.38	6.40
Shreveport Branch	—	59.50	—	59.50
Total	13.31	556.81	12.58	582.70
ST. LOUIS SOUTHWESTERN RY. CO. OF TEXAS—				
Main Line	—	259.74	44.86	304.60
Sherman Branch	—	109.90	—	109.90
Ft. Worth Branch	—	97.20	—	97.20
Hillsboro Branch	—	40.00	—	40.00
Total	—	506.84	44.86	551.70
TYLER SOUTHEASTERN RY. CO.—				
Main Line	—	.14	88.46	88.60
ENTIRE SYSTEM, JUNE 30, 1896.	13.31	1,063.79	145.90	1,223.00
ENTIRE SYSTEM, JUNE 30, 1895.	4.07	1,071.44	147.49	1,223.00
Increase, this year	9.24	—	—	—
Decrease, this year	—	7.65	1.59	—

The following is a summary of the new steel rail weighing 75 pounds to the yard (the standard heretofore adopted) purchased, and placed in main track, and leads to side tracks to

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June 30th, 1896, and the amount remaining on hand at that date:

NEW 75-POUND STEEL RAIL PURCHASED AND PLACED IN TRACK.

	No. of Tons.	Track Miles.
Purchased during fiscal year ended June 30th, 1895	1010 $\frac{1900}{2240}$	8.577
Purchased during fiscal year ended June 30th, 1896	2120 $\frac{550}{2240}$	17.990
Total purchased	3131 $\frac{2450}{2240}$	26.567
Placed in track year ended June 30th, 1895	522 $\frac{1620}{2240}$	4.435
Placed in track year ended June 30th, 1896	1069 $\frac{1815}{2240}$	9.077
Total placed in track	1592 $\frac{1435}{2240}$	13.512
Balance on hand June 30th, 1896	1538 $\frac{1015}{2240}$	13.055

About 8 miles of this rail were laid at Thornton hill, mile posts 308-317 on the main line in Arkansas, where it became advisable to improve the grade line—of this about 4 track miles were laid during the preceding fiscal year, and about 4 track miles during the current fiscal year. The remaining 5 track miles of this 75-pound rail placed in track during the current fiscal year, were laid in the stretch of track southward between mile posts 317-324, and the greater portion of the balance on hand will be laid at the same location, and in the stretch of track from mile post 307 northward to mile post 302 at the foot of Kingsland hill (all on the main line in Arkansas), making, when completed, a continuous stretch of 23 track miles, more or less, of 75-pound steel rail.

The 56-pound rail released by the laying of the 1,000 tons of 75-pound rail purchased during the preceding fiscal year was used on all parts of the line for renewals, in place of defective rails in main track, etc. The greater portion of the 56-pound rail released by the laying of the 2,000 tons of 75-pound rail purchased during the current fiscal year, will be used to replace, as far as possible, the 35-pound rail on the main line in Texas south of Waco.

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The value of that portion of this new 75-pound rail put in track, less the value of the old 56-pound rail taken out of track, and the cost of labor changing, during the current fiscal year, namely, $15,538.56, were charged to operating expenses (maintenance of way), and were not considered in the statement of "Betterments and Extraordinary Expenses" included in operating expenses on page 17, although the track has been greatly improved by this renewal.

CHARACTER OF BALLAST IN MAIN TRACK, JUNE 30TH, 1896.

DESCRIPTION.	Ballasted This Year. Track miles.	Total Ballasted. Track miles.	Not Ballasted. Track miles.	Total Track miles.
ST. LOUIS SOUTHWESTERN RY. CO.—				
Rock	—	4.03	—	4.03
Gravel and sand	13.50	190.45	—	190.45
Cinders	.88	18.32	—	18.32
Natural soil and length of bridges and trestles	—	—	369.90	369.90
Total	14.38	212.80	369.90	582.70
ST. LOUIS SOUTHWESTERN RY. CO. OF TEXAS—				
Rock	1.23	88.18	—	88.18
Gravel and sand	.27	119.82	—	119.82
Cinders	—	24.97	—	24.97
Natural soil and length of bridges and trestles	—	—	318.73	318.73
Total	1.50	232.97	318.73	551.70
TYLER SOUTHEASTERN RY. CO.—				
Rock	—	.06	—	.06
Gravel and sand	—	—	—	—
Cinders	—	.61	—	.61
Natural soil and length of bridges and trestles	—	—	87.93	87.93
Total	--	.67	87.93	88.60
ENTIRE SYSTEM—				
Rock	1.23	92.27	—	92.27
Gravel and sand	13.77	310.27	—	310.27
Cinders	.88	43.90	—	43.90
Natural soil and length of bridges and trestles	—	—	776.56	776.56
Total	15.88	446.44	776.56	1,223.00

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In addition to the 15.88 miles of track ballasted during the current fiscal year, as shown in the foregoing statement, all of which was absolutely new ballast placed in track not heretofore ballasted, a great deal of the track heretofore ballasted has been repaired and reballasted in bad places, but this reballasted track is not included in the statement of track ballasted during the current fiscal year.

FENCING ON RIGHT OF WAY, JUNE 30TH, 1896.

LOCATION.	Linear Miles of Fence.	
	Built this Year.	Total June 30, 1896.
St. Louis Southwestern Ry. Co.	94.12	300.06
St. Louis Southwestern Ry. Co. of Texas . .	186.07	253.71
Tyler Southeastern Ry. Co.	—	.45
Entire System	280.19	554.22

As a measure of economy the greater portion of the fence completed during the current fiscal year as shown in the foregoing table, was built under contract, reserving for the Company forces only such small stretches of fence as would not warrant a contractor in undertaking the work.

Of the 94.12 linear miles of standard fence built during the current fiscal year on the line of the St. Louis Southwestern Railway, at a cost of $19,111.88, or an average of $203.06 per linear mile, the greater portion was built on the Missouri Division, completing the fencing of the entire line in the State of Missouri, the only gaps being at points where water permanently stands in drainage bottoms, rendering it impossible for stock to reach the track.

The cost of the 186.07 linear miles of standard Texas fence constructed on the line of the St. Louis Southwestern Railway of Texas during the current fiscal year was $20,538.48, or an average of $110.38 per linear mile. The entire line between Texarkana and Mt. Pleasant has now been fenced, the amount

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of fencing constructed in this district being 110 linear miles. In addition to this, 45 linear miles were constructed on the Sherman and Ft. Worth branches. The remaining 31.07 linear miles constructed in Texas during the current fiscal year are covered by various small stretches at points where considerable stock has heretofore been killed or injured by trains.

Standard fence on the St. Louis Southwestern Railway consists of panels of eight feet, seven barbed wires and a board next to top wire, while on the St. Louis Southwestern Railway of Texas, the standard fence is built with panels of sixteen feet, using four strands of barbed wire. This will account for the difference in the average cost per linear mile of fence on the line of the St. Louis Southwestern Railway, as compared with the average cost on the line of the St. Louis Southwestern Railway of Texas.

CULVERTS.

The work of replacing worn-out log drains with vitrified tile or cast-iron pipe culverts has been continued throughout the current fiscal year. A total of 35 culverts, aggregating 2,398 linear feet, were built on the line of the St. Louis Southwestern Railway; and on the lines in Texas, 13 culverts aggregating 502½ feet were built.

CORRECTING GRADE LINE AND LAYING NEW 75-POUND STEEL RAIL.

MILE POST 302-324, MAIN LINE, ARKANSAS.

From mile post 317 to mile post 324 the inequalities of the grade line have been corrected to prepare for replacing the 56-pound steel rail with new 75-pound steel rail upon gravel-ballasted track—this work being in progress at the close of the current fiscal year. During the preceding fiscal year the same character of improvement was completed at Thornton hill, mile post 308–317, and the same class of work is also being carried on from mile post 307, northward, to mile post 302, at the foot of Kingsland hill, at the date of this report.

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NARROW BANKS.

Much of the old embankment work having become worn down by usage and the weather until they were too narrow for the maintenance of safe track, a small force of graders has been kept at work, whenever practicable, widening these narrow embankments; in this way much work has been accomplished at small expense and the worst places of this kind on the line put in safe condition.

OVERFLOW DISTRICTS.

The gradual improvement of the districts subject to overflow has been continued whenever possible with evident valuable results. These districts should be examined in detail and general plans made for the improvement of each of them, the work to be commenced at such time as your Company is financially able to undertake it.

MAINTENANCE.

The physical condition of the track has not only been fully maintained, but has been much improved during the current fiscal year. Attention is invited to the following table, furnishing a comparative statement of maintenance and improvements in the road department—for the entire system, as well as for each Company separately:

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COMPARATIVE STATEMENT OF MAINTENANCE AND IMPROVEMENTS IN ROAD DEPARTMENT, DURING YEAR ENDED JUNE 30, 1896–1895.

CHARACTER OF WORK.	St. L. S. W. Ry. Co.		St. L. S. W. Ry. Co. of Texas.		T. S. E. Ry. Co.		Entire System.	
	Year ended June 30, 1896.	Year ended June 30, 1895.	Year ended June 30, 1896.	Year ended June 30, 1895.	Year ended June 30, 1896.	Year ended June 30, 1895.	Year ended June 30, 1896.	Year ended June 30, 1895.
Miles of track ditched by plow	30.6	22.0	—	—	—	—	30.6	22.0
Miles of track ballasted	14.4	18.6	1.5	27.0	—	.3	15.9	45.9
Miles of track laid with 75-lb. steel	9.3	4.1	—	—	—	—	9.3	4.1
Miles of track relaid with 56-lb. steel	—	—	9.4	1.6	.1	—	9.5	1.6
Miles of track relaid with 35-lb. steel	—	—	—	—	—	.1	—	.1
Miles of new saw mill spurs, private and side tracks	4.0	5.0	5.2	3.5	.7	.5	9.9	9.0
Miles of old side tracks taken up	2.7	4.5	1.3	2.0	1.0	.5	5.0	7.0
Number of cross-ties placed in track	282,194	296,044	279,725	299,770	55,373	37,501	617,292	633,315
Sets of switch ties placed in track	118	105	112	79	22	9	252	193

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Bridge and Building Department.

During the fiscal year ended June 30th, 1896, the work of maintenance and renewals of bridges, trestles and other structures has been carried on steadily. The following table furnishes the location and a description of all permanent spans on June 30th, 1896:

Bridges—Statement of Permanent Spans, June 30th, 1896.

Location.	Mile Post.†	No. of Spans.	Length, Each.	Total Length.	Kind of Structure.	Class.*	Year Built.
St. Louis Southwestern R'y Co.—			Feet.	Feet.			
St. Francis river	70	1	100	100	Plate girder draw	A	1892
White river	214.6	1	355	—	Pin connected draw	A	1892
" "	214.6	1	152	—	Pin connected truss	X	1896
" "	214.6	1	87	594	Plate girder	X	1896
Arkansas river	261	1	65	—	Plate girder	A	1891
" "	261	1	428	—	Pin connected draw	A	1891
" "	261	5	200	—	Pin connected truss	A	1888
" "	261	1	100	1,593	Pin connected truss	A	1891
Saline river	294.5	2	50	—	Plate girder	A	1890
" "	294.5	1	150	250	Pin connected truss	A	1890
Moro river	302.7	1	80	80	Plate girder	A	1893
Ouachita river	335.9	1	290	290	Pin connected draw	A	1891
Red river	396.8	1	300	—	Pin connected draw	C	1883
" "	396.8	1	200	—	Pin connected truss	A	1888
" "	396.8	1	62	562	Plate girder	B	1886
Backwater river	I 3	1	100	100	Pin connected truss	A	1890
Whitewater river	I 8.2	1	140	140	Pin connected truss	A	1890
Castor river	I 19.6	1	130	130	Pin connected truss	A	1893
Total	—	23	—	3,839	—	—	—
St. Louis Southwestern R'y Co. of Texas—							
Sabine river	526	1	152	152	Pin connected truss	X	1896
Trinity river	599.3	1	200	200	Pin connected truss	A	1890
Tehuacana river	669.8	1	95	95	Plate girder	A	1893
Brazos river	675.8	3	150	—	Pin connected truss	B	1886
" "	675.8	2	54	558	Plate girder	B	1886
South Bosque river	687.5	1	150	150	Pin connected truss	B	1892
Harris creek	689.5	1	70	70	Plate girder	A	1890
Leon river, 1st crossing	706.8	1	125	125	Pin connected truss	B	1886
" " 2d crossing	711.5	1	125	125	Pin connected truss	B	1886
Richland creek	F 647.7	1	125	125	Pin connected truss	A	1890
Cedar creek	D 582.1	1	125	125	Pin connected truss	B	1888
Choctaw creek	D 583.7	1	125	125	Pin connected truss	B	1888
East Fork Trinity river	C 574.2	1	97	97	Plate girder	X	1894
Rowlett's creek	C 584.5	1	110	110	Pin connected truss	X	1894
Spring creek	C 589.6	1	110	110	Pin connected truss	X	1894
Prairie creek	C 591.5	1	80	80	Riveted girder	A	1890
White Rock creek	C 596.1	1	110	110	Pin connected truss	X	1894
Total	—	20	—	2,357	—	—	—
Entire System	—	43	—	6,196	—	—	—

†Note.—Location of mile posts: without prefix, Main Line; I, Delta Branch; F, Hillsboro Branch: D, Sherman Branch: C, Fort Worth Branch.

*Note.—Class A, sufficient to carry two consolidation engines coupled, followed by a rolling load of 3,000 pounds per linear foot.
Class B, sufficient to carry two consolidation engines coupled, followed by a rolling load of 2,240 pounds per linear foot.
Class C, sufficient to carry two mogul engines coupled, followed by a rolling load of 2,000 pounds per linear foot.
Class X, sufficient to carry two consolidation engines coupled, followed by a rolling load of 3,400 pounds per linear foot.

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WHITE RIVER BRIDGE.
MILE POST 214, MAIN LINE, ARKANSAS.

During the preceding fiscal year plans were made to take down the two combination spans forming the approaches to the draw span at White river on the main line in Arkansas and substitute for them new steel structures of modern capacity. The design contemplated an Ashlar masonry pier on the north bank and a cylinder pier on the south side, also, a steel truss of 152 foot span and a steel plate girder of 87 foot span. These piers were completed at a cost of $11,515.00 and a payment on account of the new spans of $5,871.58| has been made, making a total expenditure on account of this work to June 30th, 1896, of $17,386.58. The spans have been erected since the close of the current fiscal year, thereby placing this important bridge in safe condition for the heaviest modern traffic.

ARKANSAS RIVER BRIDGE,
MILE POST 261, MAIN LINE, ARKANSAS.

On the night of December 25th, 1895, a heavy flood came down the Arkansas river, cutting a chute through the bar above the bridge at Rob Roy and commenced cutting away the west bank of the river at this point for a distance of 7,200 feet, ranging in width from 100 to 500 feet. After the flood had subsided, it became necessary to mattress and revet the bank to prevent further caving, and this work was completed at a total cost of $12,452.44. Upon the completion of the revetment work a second flood of less dimensions was had in the river, but owing to the protection thus afforded, no further caving or scouring resulted.

The construction of mattress and revetment work at this point to protect your Company's property and hold the channel of the river under the draw span and open for navigation, has such a direct bearing upon the public navigation interests that it would appear to be a place where the United States Government should undertake the regulation of the channel and protection of the bank and other property.

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SABINE RIVER BRIDGE.

MILE POST 526-527, MAIN LINE, TEXAS.

The old false work carrying the track over this river having been maintained as long as possible, it became necessary to reconstruct this bridge. At the beginning of the current fiscal year the pressure of drift and flood water against the false work was so strong that for several days the line was threatened with a break and consequent interruption of traffic. It was deemed advisable and necessary, therefore, to erect a new steel span, utilizing the old false work in its erection to reduce the expense. The track was raised entirely above high water, bridge seats were built of selected hewn cypress, and a steel truss of 152 foot span purchased. There was expended on account of this work to June 30th, 1896, $10,132.81. This span has been erected since the close of the current fiscal year and this hitherto dangerous place secured against floods.

BRIDGES—STATEMENT OF TRESTLE BRIDGING.
JUNE 30TH, 1896.

	LENGTH.	
	In Linear Feet.	In Miles.
ST. LOUIS SOUTHWESTERN R'Y CO.—		
Bird's Point incline	1,326	.25
Bird's Point section	28,500	5.40
Jonesboro section	34,793	6.59
Pine Bluff section	48,386	9.16
Delta Branch	6,370	1.21
Little Rock Branch	4,106	.78
Magnolia Branch	1,167	.22
Shreveport Branch	5,050	.96
TOTAL	129,698	24.57
ST. LOUIS SOUTHWESTERN R'Y CO. OF TEXAS—		
Texarkana section	36,371	6.89
Tyler section	29,084	5.51
Waco section	4,310	.82
Ft. Worth Branch	19,270	3.65
Sherman Branch	20,075	3.80
Hillsboro Branch	4,614	.87
TOTAL	113,724	21.54
TYLER SOUTHEASTERN R'Y CO.—		
Tyler to Lufkin	13,365	2.53
ENTIRE SYSTEM, June 30th, 1896	256,787	48.64
ENTIRE SYSTEM, June 30th, 1895	259,921	49.23
Decrease, this year	3,134	.59

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The work of maintenance of trestles has been well kept up during the current fiscal year. All structures which could not be carried over have been rebuilt with new standard trestles. On the line of the St. Louis Southwestern Railway 15,745 linear feet, and on the line of the St. Louis Southwestern Railway of Texas 12,587 linear feet of trestle have been rebuilt. Five small iron girders ranging from 14 to 18-foot span were constructed in the bridge and building department yard at Pine Bluff, Ark., from material taken from the original spans at White and Arkansas rivers, and these girders were substituted at suitable places for short trestles. The policy of filling all unnecessary trestles and substituting culverts for them will be carried out wherever practicable.

It will be noted from the foregoing statement of trestle bridging that, during the current fiscal year, the total length of trestle bridging on the entire system has been reduced 3,134 feet, or .59 of one mile.

Buildings, Etc.

In addition to the work on bridges and trestles, the following important work on buildings and other structures, performed by the bridge and building department forces, is worthy of mention:

JONESBORO, ARK.

The six-stall addition to the original roundhouse, commenced during the preceding fiscal year, was completed during the current fiscal year, giving a standard roundhouse of ten stalls at this station.

In December, 1895, the freight house at this point was destroyed by fire, insurance amounting to $800.00 was collected, and the destroyed building was at once replaced with a larger and more commodious structure, to meet the requirements of increased business.

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COMPANY SHOPS, PINE BLUFF, ARK.

The brick addition to the former blacksmith shop was completed during the current fiscal year. This addition is 78 feet 3½ inches long by 79 feet 9 inches wide, with steel roof trusses, and overhead traveling crane tracks. This addition was much needed to relieve the cramped situation in the old shop.

An artesian well has been sunk at this point to a depth of 890 feet to secure a supply of better water than was formerly obtained at a depth of 120 feet. The well has just been completed, and a supply of 350 gallons per minute, obtained by lifting the water with compressed air. Owing to the delays incident to the sinking of this well, it was not possible to complete the water works and sewerage system designed for these shops, during the current fiscal year; this work will be carried to completion during the ensuing fiscal year.

A new 31-compartment feeding stock pen to replace the old one, was added to the yard facilities at Company shops, Pine Bluff, Ark. These pens are commodious and modern, and are furnished with water and feeding facilities.

TEXARKANA, TEXAS.

The improvements in the motive power and car department yard commenced at this point during the preceding fiscal year were carried to completion during the current fiscal year. They include the construction of a ten-stall wooden round house, water station, coaling station, oil house, office and storeroom, and necessary repair tracks. All of this work has been carried forward in line with the general plan for improvement, and can be extended as the business of your Company demands.

GREENVILLE, TEXAS.

The additional facilities required at this point, due to the extension of the Texas Midland R. R., were completed during the current fiscal year. These involved the construction of a brick union passenger depot, transfer shed, and the removal of your

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Company's freight house to a more advantageous location. These expenses were borne jointly by your Company and the Texas Midland R. R.

WATER STATIONS.

On the line of the St. Louis Southwestern Railway, the old water tanks and wells have been carried wherever possible. It became necessary, however, to replace five of them with the adopted standard tub, 16x24 feet, with a capacity of 50,000 gallons each. All of these tanks were erected on permanent iron frames, constructed in the bridge and building department yard at Pine Bluff, Ark., from old truss bridges removed at various times, and are located at Malden Mo.; St. Francis, Rector, Stuttgart and Spirit Lake, in Arkansas.

On the line of the St. Louis Southwestern Railway of Texas, the new standard 50,000 gallon tank and other water facilities commenced in the preceding fiscal year at Texarkana, were completed during the current fiscal year. A new standard tank was also erected at Elm Fork Trinity river, on the Ft. Worth branch.

Arrangements have been made with the City of Sulphur Springs, Texas, for water supply at that point. Construction of the necessary facilities being under way at the date of this report.

PASSENGER PLATFORMS.

The policy of replacing plank passenger platforms with standard gravel platforms has been continued. During the current fiscal year there have been renewed in this manner, 27,912 square feet on the line of the St. Louis Southwestern Railway, and 21,852 square feet on the St. Louis Southwestern Railway of Texas.

MAINTENANCE AND IMPROVEMENTS.

The following table furnishes a summary, by roads, of the work of maintenance and improvements (embracing completed structures only) in the bridge and building department for the year ended June 30th, 1896:

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MAINTENANCE AND IMPROVEMENTS IN BRIDGE AND BUILDING DEPARTMENT (COMPLETED STRUCTURES ONLY), YEAR ENDED JUNE 30TH, 1896.

ST. LOUIS SOUTHWESTERN R'Y CO.			Cost.
White river bridge foundations			$11,515 00
Arkansas river protection, Rob Roy			12,452 44
New wooden trestles	15,745	Linear feet	58,460 66
Culverts	2,398	Linear feet	3,936 14
Wire fence	94	Miles and 625 ft. of fence	19,111 88
Station platforms (gravel)	27,912	Square feet	633 32
Station platforms (wood)	4,448	Square feet	459 71
Cotton platforms (wood) 16	39,832	Square feet	2,240 13
Station buildings	3		2,770 67
Station building outhouse	2		40 04
Water closet	1		97 67
Station coal bins	3		165 72
Stock pens	3		384 39
Stock feeding pen (31 compartments)	1		3,179 79
Stock loading chutes	6		341 63
Cattle guards	97		2,943 42
Round house	1		4,176 22
Transfer pit wall (brick)	1		2,500 44
Addition to blacksmith shop	1		7,080 98
Oil and switch lamp house	1		66 35
Tool house	1		94 96
Oil and store room	1		123 21
Cinder pits	3		572 58
Turn table (wooden)	1		409 85
Coaling station	1		2,214 76
Coal and coke bin	1		284 09
Water stations, tank and tank frames	5		5,869 43
Water station coal bins	3		167 13
Well and well house	1		928 96
Well house	1		296 55
Pump houses	4		631 92
Pump house, coal bin and platform	1		403 26
Dam across Big creek for water supply	1		178 24
Well house (section)	1		18 73
Creeping pile driver	1		493 81
Highway bridge	1		400 91
Track scales (one repaired, one moved)	2		972 41
Mail cranes	8		136 31
Total, fiscal year ended June 30th, 1896			$146,753 71
Total, fiscal year ended June 30th, 1895			118,420 73
Increase this year			$28,332 98

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MAINTENANCE AND IMPROVEMENTS—*Continued.*

ST. LOUIS SOUTHWESTERN RY. CO. OF TEXAS.			Cost.
New wooden trestles	12,587	Linear feet	$49,788 62
Culverts	435	Linear feet	2,106 11
Wire fence	186	Miles and 370 ft. of fence	20,538 48
Section house fence	2,737	Feet of fence	146 80
Station platforms (wood)	14,788	Square feet	906 81
Station platforms (cinder)	21,852	Square feet	565 05
Cotton platforms (six)	8,128	Square feet	452 52
Coal platform	2,070	Square feet	171 75
Cattle guards	226		5,697 56
Patent surface cattle guards	4		121 04
Stock pens	7		1,125 95
Stock loading chutes	3		185 81
Union Depot, Greenville (brick)	1	our proportion	3,393 10
Station buildings	6		3,874 41
Station driveway	1		520 74
Station outhouses	6		217 84
Water closets	1		131 26
Round house pits	10		2,444 70
Cinder pits	1		303 59
Turn table	1		690 08
Round house (10 stall)	1		4,945 15
Machine repair shops	1		114 37
Coal chutes	1		2,250 92
Station coal bins	2		117 20
Tool house	1		146 97
Water stations, tank and tank frames	3		2,964 36
New cast iron water mains, Texarkana			3,154 86
Well and well house	1		781 50
Water station coal bins	2		154 29
Pump house	1		114 96
Well (section house)	1		19 50
Farm gates	108		509 69
Mail cranes	1		18 73
Sawdust bin	1		7 02
Total, fiscal year ended June 30th, 1896			$108,681 74
Total, fiscal year ended June 30th, 1895			110,368 63
Decrease this year			$ 1,686 89

TYLER SOUTHEASTERN RY. CO.			Cost.
New wooden trestles	14	Linear feet	$ 19 20
Culverts	67½	Linear feet	173 00
Station platforms (wood)	464	Square feet	36 26
Cotton platform	1,152	Square feet	104 52
Station building (labor)	1		291 71
Station outhouse	1		37 78
Cattle guards	15		424 56
Stock chutes	1		50 75
Stock pens	3		323 78
Water stations, tank and tank frames	2		1,174 36
Pump house	2		101 25
Water station coal bins	2		62 80
Well and well house	1		368 19
Water column	1		312 58
Sand house	1		92 87
Total, fiscal year ended June 30th, 1896			$ 3,573 61
Total, fiscal year ended June 30th, 1895			484 24
Increase this year			$ 3,089 37

ENTIRE SYSTEM.	
Total, fiscal year ended June 30th, 1896	$259,009 06
Total, fiscal year ended June 30th, 1895	229,273 60
Increase this year	$ 29,735 46

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Engineering Department.

The records of this department have been gradually increased during the current fiscal year. Much special information, and many valuable drawings and plans have been filed in the permanent records.

The land line party organized in Texas during the preceding fiscal year, completed the retracement of the main line to Gatesville, and also of the Sherman branch from Mt. Pleasant to Sherman; from which, maps have been completed. This work of retracement included a thorough search of all County records, from which transcripts have been made, which, taken in connection with the maps, have given your Company a reliable record showing the exact condition of its right-of-way and property ownership on the main line and Sherman branch. The value of this information has been demonstrated in several instances during the current fiscal year when unjust claims for right-of-way have been rejected without suits at law and just claims settled upon reasonable terms.

IMPORTANT ENGINEERING WORK PERFORMED.

The following important engineering work has been performed during the current fiscal year, in addition to that mentioned elsewhere in the report in connection with improvements and maintenance of the road and the bridge and building departments:

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St. Louis Southwestern Railway Company.

Section.	Character of Work.
Little Rock . .	Mile post "G" 295, Arkansas: The same flood in the Arkansas river which had worked such damage at the Arkansas river bridge, mile post 261, main line, Arkansas, continued the bank caving on the Little Rock branch at a point about four miles below Little Rock for a distance of nearly 1000 feet. A plan of mattress and rock revetment protection work was perfected for this place, the conformation of the river being such that it was necessary to extend the work up and down stream for a total distance of 3610 feet; this work was commenced just prior to the close of the current fiscal year, and has since been successfully completed.
Pine Bluff . . .	Corkscrew hill, mile post 272-273, main line, Arkansas: Surveys were made to determine the best method of reducing grades and curves at this point. Kingsland hill, mile post 300-302, main line, Arkansas: Surveys were made at this point to determine the best method of reducing grades and curves.

St. Louis Southwestern Railway Company of Texas.

Section.	Character of Work.
Texarkana . .	Big Cypress bottom, mile post 484-485, main line: A careful examination was made of the drainage of the surrounding country at this point, and an improvement plan made to relieve the danger from overflow occasioned by floods. Tyler Motive Power Yard: During the current fiscal year negotiations were concluded with a Committee of citizens of Tyler, Texas, whereby your Company secured title to 38.60 acres of land adjacent to its present yard. This being the only available land for yard and shop purposes within three miles of Tyler. The Citizens' Committee paid two-thirds and your Company one-third of the purchase price. Your Company's one-third proportion amounted to $8,270.00, and has been paid since the close of the current fiscal year. A general plan for a switching and motive power yard and structures was prepared, to utilize the land thus secured, including a relocation of the main line for about one mile approaching the city from the north.

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Tyler Southeastern Railway Company.

Section.	Character of Work.
	CHANGE OF GAUGE.
Entire Line . .	The work of changing the gauge of this line from 3 feet to 4 feet 8½ inches was completed September 1st, 1895. The total amount expended for this purpose, including the cost of changing equipment from narrow to standard gauge, from the time the work was commenced to June 30th, 1896, was $62,952.66, of which amount $45,193.99 was expended during the current fiscal year.

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MOTIVE POWER AND CAR DEPARTMENT.

Complete information showing your Company's equipment on hand at the beginning and close of the current fiscal year, with changes therein during the year, and the operations of the motive power and car department for the current fiscal year compared with the preceding year, will be found in the tables immediately following:

STATEMENT OF EQUIPMENT—ENTIRE SYSTEM.

CLASS.	On Hand June 30, 1895.	Changes During Year.						On Hand June 30, 1896.
		Purchased.	Built and Rebuilt.	Destroyed.	Sold.	Changed. From	Changed. To	
LOCOMOTIVES—								
Standard gauge	129	—	1	—	—	—	3	133
Narrow gauge	8	—	—	—	1	3	—	4
Total	137	—	1	—	1	3	3	137
PASSENGER CARS—								
Official . . . . . Standard gauge	4	—	—	—	—	—	—	4
Chair . . . . . Standard gauge	9	—	—	—	—	—	—	9
Coaches . . . . . Standard gauge	49	—	—	—	—	—	3	52
Coaches . . . . . Narrow gauge	3	—	—	—	—	3	—	—
Combination . . . . . Standard gauge	3	—	—	—	—	—	—	3
Baggage and exp. . Standard gauge	5	—	2	1	—	—	—	6
Mail and express . . Standard gauge	18	—	—	—	1	—	1	18
Mail and express . . . Narrow gauge	1	—	—	—	—	1	—	—
Mail . . . . . Standard gauge	3	—	1	—	—	—	—	4
Total	95	—	3	1	1	4	4	96
FREIGHT CARS—								
Refrigerator . . . . . Standard gauge	25	—	—	—	—	—	—	25
Furniture . . . . . Standard gauge	100	—	25	1	—	—	—	124
Caboose . . . . . Standard gauge	70	—	—	—	—	—	2	72
Caboose . . . . . Narrow gauge	2	—	—	—	—	2	—	—
Box . . . . . Standard gauge	2,412	—	96	17	—	—	68	2,559
Box . . . . . Narrow gauge	95	—	—	15	—	68	—	12
Stock . . . . . Standard gauge	311	—	—	3	—	—	—	308
Stock . . . . . Narrow gauge	5	—	—	4	—	—	—	1
Flat . . . . . Standard gauge	782	—	—	—	—	—	—	782
Flat . . . . . Narrow gauge	89	—	—	51	9	—	—	29
Coal . . . . . Standard gauge	502	—	24	13	—	—	3	516
Coal . . . . . Narrow gauge	3	—	—	—	—	3	—	—
Derricks	2	—	—	—	—	—	—	2
Steam shovels	2	—	—	—	—	—	—	2
Plow Cars	—	1	—	—	—	—	—	1
Total	4,400	1	145	104	9	73	73	4,433

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Statement of New Equipment Purchased and Equipment Built and Rebuilt at Company Shops.

Year ended June 30th, 1896.

Class of Equipment.	New Equipment purchased.		Additional Equipment built, charged to Equipment Account (New).		Wrecked and destroyed Equipment rebuilt, charged to Equipment Replacement Fund.		Total.	
	No.	Cost.	No.	Cost.	No.	Cost.	No.	Cost.
Locomotives	—	—	1	$ 8,062 05	—	—	1	$ 8,062 05
Baggage cars. . . .	—	—	2	4,492 34	—	—	2	4,492 34
Mail cars	—	—	1	3,331 39	—	—	1	3,331 39
Plow cars	1	$5,500 00	—	—	—	—	1	5,500 00
Box cars	—	—	—	—	96	$49,781 36	96	49,781 36
Coal cars	—	—	—	—	24	9,802 80	24	9,802 80
Furniture cars . . .	—	—	—	—	25	14,900 00	25	14,900 00
Total	1	$5,500 00	4	$15,885 78	145	$74,484 16	150	$95,869 94

Repairs and Maintenance of Equipment—Entire System.

Item.	Year ended June 30, 1896.		Year ended June 30, 1895.		Increase.		Decrease.	
	No.	Cost.	No.	Cost.	No.	Cost.	No.	Cost.
Locomotives.								
Running repairs	1,285	$64,234 13	1,220	$62,646 25	65	$ 1,587 88	—	—
Light repairs .	164	22,174 61	182	25,545 89	—	—	18	$ 3,371 28
Heavy repairs .	39	20,096 00	63	31,218 25	—	—	24	11,122 25
General repairs.	33	37,045 68	29	37,988 33	4	—	—	942 65
Rebuilding . .	12	37,494 73	16	29,865 28	—	7,629 45	4	—
Total . . .	1,533	$181,045 15	1,510	$187,264 00	69	$ 9,217 33	46	$15,436 18
Passenger cars.								
Running repairs.	695	$10,163 22	561	$ 7,563 64	134	$ 2,599 58	—	—
Light repairs .	149	11,757 04	222	15,393 62	—	—	73	$ 3,636 58
Heavy repairs .	23	9,315 97	28	10,360 05	—	—	5	1,044 08
General repairs.	4	4,627 97	7	7,963 68	—	—	3	3,335 71
Rebuilding . .	2	2,345 43	6	12,731 42	—	—	4	10,385 99
Total . . .	873	$38,209 63	824	$54,012 41	134	$ 2,599 58	85	$18,402 36
Freight cars.								
Running repairs	52,724	$121,330 04	48,683	$94,169 03	4,041	$27,161 01	—	—
Light repairs .	788	12,538 36	737	12,036 89	51	501 47	—	—
Heavy repairs .	779	34,183 85	719	28,000 20	60	6,183 65	—	—
General repairs.	304	23,534 46	247	20,160 39	57	3,374 07	—	—
Rebuilding . .	155	23,372 14	55	7,196 71	100	16,175 43	—	—
Total . . .	54,750	$214,958 85	50,441	$161,563 22	4,309	$53,395 63	—	—
Entire Cost . .	—	$434,213 63	—	$402,839 63	—	$31,374 00	—	—

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CONDITION OF EQUIPMENT BY MONTHS DURING THE YEAR—ENTIRE SYSTEM.

MONTHS ENDED.	LOCOMOTIVES.		PASSENGER CARS.	
	Number requiring repairs.	Estimated cost of repairs required.	Number requiring repairs.	Estimated cost of repairs required.
July 1, 1895	43	$49,200 00	34	$3,575 00
July 31, 1895	39	41,950 00	35	5,200 00
August 31, 1895	43	44,400 00	44	6,075 00
September 30, 1895	37	43,300 00	37	5,150 00
October 31, 1895	33	32,600 00	46	5,825 00
November 30, 1895	33	30,950 00	45	5,775 00
December 31, 1895	32	28,800 00	49	5,225 00
January 31, 1896	29	25,375 00	49	5,700 00
February 29, 1896	35	33,700 00	46	5,450 00
March 31, 1896	31	42,350 00	42	4,725 00
April 30, 1896	40	37,100 00	41	4,775 00
May 31, 1896	41	37,550 00	37	4,475 00
June 30, 1896	36	40,250 00	35	4,100 00

MONTHS ENDED.	FREIGHT CARS.				
	Number owned.	Bad order.		In service.	
		Number.	Per cent.	Number.	Per cent.
July 1, 1895	4,400	146	3.32	4,254	96.68
July 31, 1895	4,400	170	3.86	4,230	96.14
August 31, 1895	4,404	151	3.43	4,253	96.57
September 30, 1895	4,397	123	2.80	4,269	97.20
October 31, 1895	4,410	132	3.00	4,278	97.00
November 30, 1895	4,405	112	2.54	4,293	97.46
December 31, 1895	4,411	153	3.47	4,258	96.53
January 31, 1896	4,426	205	4.63	4,221	95.37
February 29, 1896	4,435	168	3.79	4,267	96.21
March 31, 1896	4,435	138	3.11	4,297	96.89
April 30, 1896	4,433	169	3.80	4,264	96.20
May 31, 1896	4,440	187	4.21	4,253	95.79
June 30, 1896	4,433	145	3.27	4,288	96.73

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PERFORMANCE AND COST OF OPERATING LOCOMOTIVES—ENTIRE SYSTEM.

ITEM.	Year ended June 30, 1896.	Year ended June 30, 1895.	Increase.	Decrease.
MILEAGE—				
Passenger	1,460,769	1,378,337	82,432	—
Freight	1,967,410	1,920,525	46,885	—
Switch	839,057	836,407	2,650	—
Work	183,365	130,987	52,378	—
Other service	94,711	87,092	7,619	—
Total	4,545,312	4,353,348	191,964	—
SUPPLIES USED—				
Tons of coal	154,920	151,525	3,395	—
Pints of lubricating oil	261,152	276,427	—	15,275
Pints of all oil	386,803	390,005	—	3,202
Pounds of waste	33,336	33,150	186	—
MILES RUN—				
Per ton of coal	29.34	28.73	.61	—
Per pint of lubricating oil	17.40	15.74	1.66	—
Per pint of all oil	11.75	11.16	.59	—
Per pound of waste	136.30	131.30	5.00	—
COST OF OPERATING—				
Repairs	$181,045 15	$188,888 00	—	$ 7,842 85
Stores	11,712 97	12,263 31	—	550 34
Fuel	317,911 54	321,102 37	—	3,190 83
Engineers and firemen	279,123 15	266,386 27	$12,736 88	—
Wiping and dispatching	51,246 81	49,676 35	1,570 46	—
Other motive power accounts	3,415 06	3,209 46	205 60	—
Total	$844,454 68	$841,525 76	$ 2,928 92	—
AVERAGE COST PER MILE—				
Repairs	$0 0398	$0 0434	—	$0 0036
Stores	0 0026	0 0028	—	0 0002
Fuel	0 0699	0 0738	—	0 0039
Engineers and firemen	0 0614	0 0612	$0 0002	—
Wiping and dispatching	0 0113	0 0114	—	0 0001
Other motive power accounts	0 0008	0 0007	0 0001	—
Total	$0 1858	$0 1933	—	$0 0075
Average number of engines in service monthly	119	116	3	—
Average monthly mileage per engine	3,183	3,127	56	—

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During the current fiscal year expenditures have been made for additional machinery in the motive power and car department, as follows: New bending rolls for boiler shop at Pine Bluff, Ark., $417.50; and for boiler shop at Tyler, Texas, $882.50.

In compliance with the Act of Congress the following expenditures have been made during the current fiscal year: Applying air brakes to 11 locomotives, $4,212.98; applying air brakes to 263 freight cars, $15,953.94; cost of applying Master Car Builder couplers to 233 freight cars in excess of the cost of the common draw-bar, $1,895.90. At the close of the current fiscal year there remained 28 locomotives and 4,035 freight cars requiring air brakes, and 4,050 freight cars requiring Master Car Builder couplers.

Of the narrow gauge equipment on the Tyler Southeastern Railway, at the time of the change of gauge, three locomotives have been changed to standard gauge, and one has been sold, leaving four on hand at the close of the current fiscal year, three of which are subject to sale. All cars that were suitable for standard gauge traffic were transferred to standard gauge trucks, while those that were not suitable, owing to their light construction, were placed in service as boarding cars. Those cars which were unsafe to handle in trains on account of their decayed condition, were taken off trucks and used for section houses, storage purposes, etc., being classed as destroyed. The value of such cars under Master Car Builders' rules was charged to operating expenses, and credited to "Equipment Replacement Fund" for rebuilding purposes. Standard box cars of 60,000 pounds capacity have been built in place of a number of these destroyed cars, and eventually all will be so replaced.

The recommendations of former years in regard to old narrow gauge "widened out" and other light locomotives are again renewed. The saving in expenses by the substitution therefor, and operation, of modern heavy locomotives would exceed one hundred thousand dollars annually. The continued improve-

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ment in the roadbed and track makes the substitution of such heavy locomotives more practicable each year.

The early completion of the new shop buildings and other facilities proposed at Tyler, Texas, is earnestly recommended, as these additional facilities are considered absolutely necessary to the proper and economical handling of the business of the motive power and car department.

The importance of providing sufficient roundhouse facilities at the various terminals can not be too strongly urged, as it is believed that the saving in fuel alone would soon pay for their original cost.

Reference to the statement showing the condition of the equipment by months, to be found on page 66, demonstrates that the same has been well maintained throughout the year.

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FUEL SUPPLY.

COMPARATIVE STATEMENT OF COAL PURCHASED AND CONSUMED DURING YEARS ENDED JUNE 30TH, 1896-1895. ENTIRE SYSTEM.

ITEM.	Year ended June 30, 1896.	Year ended June 30, 1895.	Increase.	Decrease.
PURCHASED—				
No. of tons purchased	165,805	164,168	1,637	—
Total cost of coal purchased, excluding company freight . . .	$305,104 99	$311,561 22	—	$6,456 23
Amount of company freight included in cost of coal purchased	5,571 66	7,411 31	—	1,839 65
Total cost of coal purchased, including company freight . . .	310,676 65	318,972 53	—	8,295 88
Average cost of coal per ton, excluding company freight . . .	$1 84	$1 90	—	$0 06
Average cost of coal per ton delivered on line, including company freight	$1 87	$1 94	—	$0 07
CONSUMED—				
No. of tons consumed	163,122	158,426	4,696	—
Total cost of coal consumed, excluding expense of handling .	$310,737 67	$307,213 28	$3,524 39	—
Total expense of handling coal consumed	$22,033 19	$24,908 32	—	$2,875 13
Average expense per ton of handling coal consumed	13.51 cents.	15.72 cents.	—	2.21 cents.
Total cost of coal consumed including expense of handling . . .	$332,770 86	$332,121 60	$649 26	—
Average cost of coal consumed per ton, including expense of handling	$2 04	$2 10	—	$0 06

The foregoing table shows a substantial reduction in prices throughout. The decrease of six cents in the average cost per ton of coal purchased is due to reductions secured in January, 1896, in the contract prices of coal purchased. The decrease in this average price would have been much larger had the reduc-

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tion been in effect during the entire fiscal year instead of only half of the year. This reduction has had the effect of keeping the total cost of coal consumed, including expense of handling down to about the same figure as during the preceding fiscal year, notwithstanding the fact that the total number of tons consumed shows an increase of 4,696 tons.

The policy of purchasing coal in Texas and the Indian Territory for use of lines in Texas, and thus preventing the long haul over the St. Louis Southwestern Ry., which was incurred when coal for use of the lines in Texas was purchased from the Illinois mines, has been continued throughout the year, which was the principal factor in keeping down the item of Company freight on coal, and the average price per ton, including Company freight.

The Company freight shown in the foregoing table consists of a nominal charge of one-half cent per ton per mile, charged by the lines in Texas for coal transported over such lines, for use of the St. Louis Southwestern Ry. Co., and *vice versa*, the same charge for coal transported over the St. Louis Southwestern Ry. for use of the lines in Texas, it being necessary, occasionally, to ship small amounts of coal from one division to the other in order to tide over a temporary shortage in the supply at some coaling point.

It is a source of gratification to be able to report a reduction of 2.21 cents per ton in the cost of handling coal consumed, which is the result of further improvements in the facilities for handling coal in the way of new coal chutes, hoists, etc. Your Company now has pneumatic coal hoists located at Commerce, Corsicana, and Waco, Texas coaling stations. The total expense of handling the 163,122 tons of coal consumed during the year ended June 30th, 1896, was $22,033.19, or an average of 13.51 cents per ton. The total cost of handling the 158,426 tons consumed during the preceding fiscal year was $24,908.32, or an average of 15.72 cents per ton.

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TELEGRAPH DEPARTMENT.

ENTIRE SYSTEM.

The telegraph wires are operated jointly by the Western Union Telegraph Company and your Company.

Owing to the increasing demands of business, it became necessary during the fiscal year ended June 30th, 1896, to erect an exclusive railroad telegraph wire on the main line in Texas, between Texarkana and Mt. Pleasant—sixty-one miles—at a total cost of $1,455.73.

The work of maintenance has been well kept up during the current fiscal year.

The following table shows the mileage of telegraph lines and wires operated, also the expense of operation and repairs in this department, for the fiscal year ended June 30th, 1896, as compared with the preceding fiscal year:

DESCRIPTION.	Year ended June 30, 1896.	Year ended June 30, 1895.	Increase.		Decrease.	
MILEAGE—						
Owned by this Company.						
Miles of line	1,223.0	1,223.0	—		—	
Miles of wire (on poles owned by W. U. Tel. Co.)	1,074.0	1,013.0	61.0		—	
Owned by Western Union Tel. Co.						
Miles of line	1,223.0	1,223.0	—		—	
Miles of wire	2,806.0	2,808.0	—		2.0	
			Increase.	Per Cent.	Decrease.	Per Cent.
EXPENSES—						
Salaries of telegraph operators	$59,898 48	$61,282 37	—	—	$1,383 89	2.26
Supplies used by operators	1,234 26	1,300 76	—	—	66 50	5.11
Repairs of telegraph line	6,193 43	4,685 62	$1,507 81	32.18	—	—
Total	$67,326 17	$67,268 75	$ 57 42	.09	—	—

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HOSPITAL SERVICE.

The employes' hospital at Tyler, Texas, has been efficiently and economically operated under the management of Dr. C. A. Smith, Chief Surgeon, during the current fiscal year, giving the same satisfactory results as in former years. The institution continues self-sustaining, contributions from employes covering all expenses.

The following brief summary shows the operations of this department for the current fiscal year, compared with the fiscal year ended June 30th, 1895:

Description.	June 30, 1896.	June 30, 1895.	Increase.
Patients in hospital at the beginning of year	47	36	11
Patients admitted during the year	2,232	1,381	851
Total	2,279	1,417	862
Number discharged	2,193	1,360	833
Number of deaths	16	10	6
Patients remaining in hospital at the close of year	70	47	23
Total	2,279	1,417	862
Number of dispensary cases treated in St. Louis, Cairo, Jonesboro, Pine Bluff, Waco and Tyler	6,825	5,223	1,602
Total number of employes receiving hospital benefits	9,104	6,640	2,464
Death rate	0.7	0.7	—

While the increase in the number of patients treated at the hospital during the current fiscal year was 862, or 60.83 per cent., the death rate remained the same as for the previous fiscal year, .7 of one per cent. There was an increase this year in dispensary cases of 1,602, or 30.67 per cent.

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GENERAL REMARKS.

Attention is invited to the tables which will be found in the Appendix to this report containing statistical information concerning the operations of your property during the past eight years, and Income and Financial Exhibits for each of the separate corporations forming your System of Railways for the fiscal year ended June 30th, 1896.

It is the policy of the management to improve the physical condition of your property as rapidly as its finances will allow. Encouraged by the results of operation for the fiscal year ended June 30th, 1895, improvements and betterments were continued during the fiscal year ended June 30th 1896. These improvements will result in diminishing operating expenses in the future, and aid largely in quickly overcoming the deficit for the current fiscal year. The details of these improvements and betterments are specifically stated elsewhere in this report. In the sharp competition for business, time is so important a factor that to be placed on an equal footing with competitors, your Company must maintain its track and equipment to as high a degree of excellence as its financial ability and earning capacity will warrant.

The very short cotton crop of the past season as compared with the preceding season has been the principal cause for the diminished net earnings of your property. This, however, would have been largely overcome by the growth of business already established and the development of new industries on the line but for the almost unprecedented derangement of the

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general business of the country, caused by the agitation of the free silver craze. Men already engaged in business have curtailed their operations, while capital has remained idle, and stood appalled at the danger that seemed to threaten both the physical and financial life of the nation. It is believed that the American people will again prove their patriotism at the polls in November, and show by their ballots that they propose to maintain the honor and integrity of the Government. This being done, confidence will be restored, and business again resume its usual channel.

The Texas Midland R. R. having decided to extend its line to Paris, Texas, an agreement effective September 1st, 1896, was entered into, under the terms of which the Texas Midland R. R. was granted the use of your Company's track for their trains between Greenville and Commerce, Texas, a distance of 14.54 miles. This arrangement prevented the paralleling of your line for that distance—the Texas Midland building new road from Commerce to Paris only. Under this joint trackage arrangement friendly relations are maintained and ruinous competition thereby avoided.

It is with profound sorrow that the management announces the loss by death of two of your most competent and faithful officers, viz., Mr. O. McGowan, Superintendent of the Missouri Division, who died suddenly while on the line of the road near Clarendon, Ark., on July 1st, 1896, and Mr. Thos. Inglis, Master Mechanic of the lines in Texas, who also died very suddenly, at his home in Tyler, Texas, July 29th, 1896.

Mr. P. J. Conley, Superintendent of the Arkansas Division, became mentally incapacitated in April, 1896, and of course had to be relieved of his office, much to the regret of the management, as he had always been a conscientious and faithful officer.

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The exigency of the traffic situation has made it necessary to take from your Company to serve on the Board of Administration of the Southwestern Traffic Association, your former able and efficient General Traffic Manager, Mr. A. S. Dodge, whose services in his new position it is believed have resulted, and will in the future result, in aiding in the maintenance of freight rates governed by that Association.

The thanks of the management are again extended to the employes of your Company for their efficiency and fidelity in the discharge of their respective duties.

Very respectfully,

S. W. FORDYCE,

President.

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APPENDIX.

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Comparative Statistics.

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I.

Gross Earnings by Months—Entire System—For Eight Years ended June 30th, 1896.

Miles Operated . . .	1,187.8	1,222.1	1,222.1	1,222.1	1,223.0	1,223.0	1,223.0	1,223.0
Months.	Year ended June 30, 1889.	Year ended June 30, 1890.	Year ended June 30, 1891.	Year ended June 30, 1892.	Year ended June 30, 1893.	Year ended June 30, 1894.	Year ended June 30, 1895.	Year ended June 30, 1896.
July	$227,185 56	$271,562 08	$307,325 18	$324,298 18	$354,601 61	$320,026 35	$275,797 70	$321,298 23
August	281,109 03	336,852 61	363,236 99	349,459 69	400,501 81	314,563 31	369,235 53	384,948 33
September	296,288 22	388,583 27	386,613 27	447,131 11	422,729 36	370,213 03	419,107 34	429,993 14
October	383,716 55	526,305 37	490,964 07	577,267 39	499,771 72	551,772 52	652,658 83	581,411 51
November	335,867 73	470,882 71	423,640 50	505,755 47	483,181 59	560,788 30	611,579 10	496,692 89
December	364,939 84	502,859 68	466,675 64	480,582 10	532,079 71	528,278 31	556,681 55	510,026 42
January	274,639 75	375,619 94	350,257 77	351,874 29	435,902 80	365,846 06	454,461 23	438,250 37
February	256,538 27	305,244 13	347,040 49	371,799 21	421,309 29	338,179 52	392,613 07	419,119 45
March	248,017 76	270,911 48	336,418 32	331,973 06	444,082 75	364,510 78	399,382 59	361,841 41
April	225,467 82	259,872 69	287,949 84	302,678 41	411,625 08	325,194 01	355,762 02	329,438 44
May	241,164 77	290,927 39	285,374 21	303,382 48	368,900 01	295,704 99	363,996 30	310,456 12
June	242,902 73	262,292 02	276,044 84	292,042 73	341,394 52	280,067 02	365,899 31	321,013 55
Total	$3,377,838 03	$4,261,913 37	$4,321,541 12	$4,638,244 12	$5,116,080 25	$4,615,144 20	$5,217,174 57	$4,904,489 86

II.

Operating Expenses by Months—Entire System—For Eight Years ended June 30th, 1896.

(including betterments.)

July	$268,005 81	$213,636 22	$391,866 86	$296,154 97	$321,182 48	$326,265 30	$251,416 72	$330,765 80
August	391,428 03	273,167 79	435,893 60	307,242 86	329,611 80	296,018 35	293,206 49	369,288 20
September	354,923 07	275,673 26	467,372 22	324,218 42	345,822 80	325,068 92	329,878 30	355,517 70
October	332,419 42	327,715 35	458,578 19	344,286 45	372,650 80	347,926 63	349,305 75	385,002 35
November	357,326 20	390,718 64	491,423 20	365,452 65	345,638 17	368,867 41	371,406 80	364,062 73
December	296,190 18	412,154 08	454,983 05	326,273 76	351,817 56	364,409 28	352,112 92	353,638 69
January	279,280 66	376,143 21	397,411 95	345,876 15	342,799 14	328,979 55	317,968 58	356,731 95
February	251,190 16	362,250 09	383,419 09	319,060 32	382,080 88	323,707 58	323,266 26	344,129 47
March	216,752 64	313,197 91	363,245 10	285,258 03	382,773 61	306,640 07	317,689 28	334,372 02
April	208,521 70	346,374 66	341,447 68	297,324 75	403,469 21	324,408 76	340,503 69	316,524 39
May	239,683 37	373,459 09	322,235 02	296,765 42	363,432 47	289,903 22	347,544 55	320,386 63
June	208,794 81	370,960 79	339,664 91	318,162 87	340,553 95	271,583 07	382,921 75	301,954 61
Total	$3,404,516 05	$4,035,451 09	$4,847,540 87	$3,826,076 65	$4,281,832 87	$3,873,778 14	$3,977,221 09	$4,132,374 54

Note.—The figures given in the foregoing tables up to June 1st, 1891, are results of operation of the property by the St. Louis, Arkansas & Texas Ry. Cos. and the Receivers thereof. The expenditures for betterments during the Receivership were authorized, and special provision for their payment was made, by the United States Court, as well as for the amount of interest on bonds and other fixed charges, in excess of the net earnings.

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III.

Net Earnings by Months—Entire System—For Eight Years ended June 30th, 1896.

Miles Operated . . .	1,187.8	1,222.1	1,222.1	1,222.1	1,223.0	1,223.0	1,223.0	1,223.0
Months.	Year ended June 30, 1889.	Year ended June 30, 1890.	Year ended June 30, 1891.	Year ended June 30, 1892.	Year ended June 30, 1893.	Year ended June 30, 1894.	Year ended June 30, 1895.	Year ended June 30, 1896.
July	$ 40,820 25	$ 57,925 86	$ 84,541 68	$ 28,143 21	$ 33,419 13	$ 6,238 95	$ 24,380 98	$ 9,467 57
August	110,319 00	63,684 82	72,555 61	42,216 83	70,890 01	18,544 96	76,029 04	15,660 13
September	58,634 85	112,910 01	80,758 95	122,912 69	76,906 56	45,144 11	89,229 04	74,475 44
October	51,297 13	198,590 02	32,385 88	232,980 94	127,120 92	203,845 89	303,353 08	196,409 16
November	21,458 47	80,164 07	67,782 70	140,302 82	137,543 42	191,920 89	240,172 30	132,630 16
December	68,749 66	90,705 60	11,692 59	154,308 34	180,262 15	163,869 03	204,568 63	156,387 73
January	4,640 91	523 27	47,154 18	5,998 14	93,103 66	36,866 51	136,492 65	81,518 42
February	5,348 11	57,005 98	36,578 60	52,738 89	39,228 41	14,471 94	69,346 81	74,989 98
March	31,265 12	42,286 43	28,826 73	46,715 03	61,309 14	57,870 71	81,693 31	27,469 39
April	16,946 12	88,501 97	53,467 84	5,353 66	8,155 87	785 25	15,258 33	12,914 05
May	1,481 40	82,551 70	36,980 81	6,617 06	5,467 54	5,801 77	16,451 75	9,930 51
June	34,107 92	106,668 77	63,620 07	26,120 14	840 57	8,483 95	17,022 44	19,058 94
Total	$26,678 02	$226,462 28	$525,998 75	$812,167 47	$834,247 38	$741,366 06	$1,239,953 48	$772,115 32

Note.—Heavy-faced type denotes deficit.

IV.

Betterments (included in Operating Expenses) by Months—Entire System—For Eight Years ended June 30th, 1896.

July	$ 28,054 58	$ 6,410 97	$105,977 24	$ 14,233 32	$ 5,821 59	$ 12,449 74	$ 2,470 35	$ 17,897 02
August	106,594 56	15,537 73	130,217 73	5,425 10	12,187 11	9,270 84	6,797 15	24,094 24
September	50,793 44	20,820 73	135,989 30	12,785 29	14,273 52	22,056 61	26,575 33	27,166 58
October	42,856 25	44,060 98	121,822 84	13,085 61	31,011 67	7,247 99	7,503 94	22,118 50
November	45,979 39	69,881 33	162,516 34	15,554 09	8,387 78	7,864 46	15,060 39	17,700 21
December	39,591 21	99,898 73	142,165 81	3,430 31	15,938 67	7,566 91	16,313 48	31,396 12
January	6,377 85	101,542 44	72,846 23	34,794 14	9,622 78	6,175 30	10,463 97	20,305 37
February	15,677 51	88,966 51	66,220 34	16,425 21	17,660 45	8,548 35	10,350 83	10,968 22
March	3,810 03	60,914 65	41,018 92	3,819 47	23,706 44	8,197 14	11,162 50	7,481 58
April	5,554 76	95,208 57	35,495 09	—	20,535 85	11,219 94	15,610 74	11,428 39
May	29,728 83	83,754 29	22,206 17	4,282 55	10,412 92	6,536 75	20,191 98	6,886 82
June	6,202 74	99,160 68	52,683 82	5,431 62	13,106 28	6,413 78	54,585 67	13,451 87
Total	$381,221 15	$786,157 61	$1,089,159 83	$129,266 71*	$182,665 06	$113,547 81	$197,086 33	$210,894 92

Note.—The figures given in the foregoing tables up to June 1st, 1891, are results of operation of the property by the St. Louis, Arkansas & Texas Ry. Cos. and the Receivers thereof. The expenditures for betterments during the Receivership were authorized, and special provision for their payment was made, by the United States Court, as well as for the amount of interest on bonds and other fixed charges, in excess of the net earnings.

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V.

Summary of Financial Results from Operation

For Eight Years ended June 30th, 1896—Entire System.

Fiscal Year ended June 30.	Miles Operated.	Gross Earnings.	Operating Expenses. (including betterments.)		Net Earnings.	All other Receipts.	Total Income.	Fixed and other charges against Income.	Balance.	
			Amount.	Per Cent. of Gross Earnings					Surplus.	Deficit.
1889	1,187.8	$3,377,838 03	$3,404,516 05	100.79	**$ 26,678 02**	$ 875 00	**$ 25,803 02**	$1,010,330 55	—	$1,036,133 57
1890	1,222.1	4,261,913 37	4,035,451 09	94.69	226,462 28	89,741 44	316,203 72	1,219,034 60	—	902,830 88
1891	1,222.1	4,321,541 12	4,847,540 87	112.17	**525,999 75**	67,222 35	**458,777 40**	1,094,096 20	—	1,552,873 60
1892	1,222.1	4,638,244 12	3,826,076 65	82.49	812,167 47	125,099 05	937,266 52	917,574 04	$ 19,692 48	—
1893	1,223.0	5,116,080 25	4,281,832 87	83.69	834,247 38	69,135 93	903,383 31	949,767 32	—	46,384 01
1894	1,223.0	4,615,144 20	3,873,778 14	83.94	741,366 06	31,030 61	772,396 67	970,165 13	—	197,768 46
1895	1,223.0	5,217,174 57	3,977,221 09	76.23	1,239,953 48	24,319 19	1,264,272 67	958,083 19	306,189 48	—
1896	1,223.0	4,904,489 86	4,132,374 54	84.26	772,115 32	10,076 70	782,192 02	960,042 08	—	177,850 06

Note.—The figures given in the foregoing table up to June 1st, 1891, are results of operation of the property by the St. Louis, Arkansas & Texas R'y Cos. and the Receivers thereof. The expenditures for betterments during the Receivership were authorized, and special provision for their payment was made, by the United States Court, as well as for the amount of interest on bonds and other fixed charges, in excess of the net earnings.

Heavy-faced type denotes deficit.

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VI.

TRAFFIC STATISTICS FOR EIGHT YEARS ENDED JUNE 30TH, 1896—ENTIRE SYSTEM.

FREIGHT.

Fiscal Year ended June 30.	Miles operated.	Number of tons carried.	*Freight revenue.	Number of tons carried one mile.	Freight train mileage, including ⅔ of mixed train mileage.	Average freight revenue per mile of road.	Average revenue per ton.	Average revenue per ton per mile.	Average distance haul of one ton (miles).	Average revenue per freight train mile.
1889	1,187.8	898,125	$2,662,170 13	203,004,973	1,729,767	$2,241 26	$2.9641	$0.0131	226.03	$1.5390
1890	1,222.1	1,154,300	3,394,834 67	258,556,739	1,844,758	2,777 87	2.9410	0.0131	223.99	1.8403
1891	1,222.1	1,252,978	3,288,607 35	251,647,375	1,911,334	2,690 95	2.6246	0.0131	200.84	1.7206
1892	1,222.1	1,302,580	3,553,748 88	270,433,058	1,839,486	2,907 90	2.7282	0.0131	207.61	1.9319
1893	1,223.0	1,506,696	3,988,319 72	329,183,200	2,180,373	3,261 10	2.6471	0.0121	218.48	1.8292
1894	1,223.0	1,328,377	3,498,158 58	282,162,773	1,836,875	2,860 31	2.6334	0.0124	212.41	1.9044
1895	1,223.0	1,470,257	4,072,163 50	309,245,333	1,920,525	3,329 65	2.7697	0.0132	210.33	2.1203
1896	1,223.0	1,487,078	3,685,638 68	312,998,714	1,967,410	3,013 60	2.4784	0.0118	210.48	1.8733

* Actual earnings derived from hauling freight, not including any portion of miscellaneous earnings.

VII.

PASSENGER.

Fiscal Year ended June 30.	Miles operated.	Number of passengers carried.	*Passenger revenue.	Number of passengers carried one mile.	Passenger train mileage, including ⅓ of mixed train mileage.	Average passenger revenue per mile of road.	Average revenue per passenger.	Average revenue per passenger per mile.	Average distance one passenger carried (miles).	Average revenue per passenger train mile.
1889	1,187.8	560,728	$557,745 10	21,154,434	875,328	$469 56	$0.9947	$0.0264	37.73	$0.6372
1890	1,222.1	710,192	700,876 60	27,657,489	869,646	573 50	0.9869	0.0253	38.94	0.8059
1891	1,222.1	866,434	856,146 07	34,193,120	1,178,452	700 55	0.9881	0.0250	39.46	0.7265
1892	1,222.1	833,293	854,039 43	33,131,148	1,156,760	698 83	1.0249	0.0258	39.76	0.7383
1893	1,223.0	842,493	879,526 52	35,019,502	1,279,192	719 15	1.0440	0.0251	41.57	0.6876
1894	1,223.0	810,801	883,408 68	37,040,490	1,320,909	722 33	1.0896	0.0238	45.68	0.6688
1895	1,223.0	838,984	889,304 61	36,744,040	1,378,337	727 15	1.0600	0.0242	43.80	0.6452
1896	1,223.0	935,555	944,146 62	40,159,827	1,460,769	771 99	1.0092	0.0235	42.93	0.6463

* Actual earnings derived from hauling passengers, not including mail and express nor any portion of miscellaneous earnings.

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VIII.

Train and Car Mileage Statistics for Eight Years Ended June 30th, 1896—Entire System.

Freight.

Fiscal Year ended June 30.	No. of miles run by all freight trains (including mixed trains).	Number of miles run by freight cars.					No. of miles run by home freight cars on foreign lines.	Percentage of empty car mileage to total car mileage.	Average No. of cars in each freight train.			Average load.		Average No. of miles run per car per day.		
		Loaded.	Empty.	All.	Home.	Foreign.			Loaded.	Empty.	All.	Per Loaded car (tons).	Per Train (tons).	On this line.		On fr'gn lines.
														Home	Fr'gn.	Home
1889	1,752,340	23,739,792	7,538,062	31,277,854	20,595,099	10,682,755	10,206,749	24.10	13.55	4.30	17.85	8.55	115.85	Records incomplete.		
1890	1,963,060	31,947,023	9,744,178	41,691,201	25,466,417	16,224,784	10,258,344	23.37	16.27	4.96	21.23	8.09	131.71			
1891	1,965,585	31,999,673	11,625,117	43,624,790	23,592,858	20,031,932	6,639,801	26.65	16.28	5.91	22.19	7.86	128.03			
1892	1,892,895	26,875,298	9,553,015	36,428,313	18,329,984	18,098,329	10,800,469	26.22	14.20	5.05	19.25	10.06	142.87	22	26	18
1893	2,217,705	31,995,299	9,469,410	41,464,709	19,218,982	22,245,727	9,429,001	22.84	14.43	4.27	18.70	10.29	148.43	24	23	16
1894	1,858,914	26,611,677	8,446,101	35,057,778	22,137,184	12,920,594	9,602,422	24.09	14.32	4.54	18.86	10.60	151.79	24	19	20
1895	1,940,257	28,913,339	10,071,485	38,984,824	20,221,920	18,762,904	9,930,917	25.83	14.90	5.19	20.09	10.70	159.38	24	22	18
1896	1,987,431	28,720,774	10,461,446	39,182,220	18,982,235	20,199,985	11,541,435	26.70	14.46	5.26	19.72	10.90	157.49	24	25	19

IX.

Passenger.

Fiscal Year ended June 30.	No. of miles run by passenger trains (not including mixed trains).	Number of miles run by passenger cars.			Average No. of cars moved in each passenger train.	Average No. of miles run per car per day.	
		Home.	Foreign.	All.		Home.	Foreign.
1889	852,755	3,626,335	445,015	4,071,350	4.32	Records incomplete.	
1890	751,344	3,894,574	519,658	4,414,232	3.60		
1891	1,124,201	4,395,208	743,608	5,138,816	3.83		
1892	1,103,351	4,454,368	779,857	5,234,225	3.97	148	178
1893	1,241,859	4,629,209	913,229	5,542,438	3.98	174	227
1894	1,298,870	4,715,771	902,479	5,618,250	4.05	177	145
1895	1,358,605	4,555,758	897,278	5,453,036	3.79	160	129
1896	1,440,748	4,840,535	1,228,375	6,068,910	3.99	157	177

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Income and Financial Exhibits.

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X.

ST. LOUIS SOUTHWESTERN RY. CO. — INCOME ACCOUNT. — YEAR ENDED JUNE 30TH, 1896.

To EXPENSES—			By EARNINGS—		
Conducting transportation	$833,029 61		Freight	$2,344,743 54	
Motive power	504,914 32		Passenger	492,322 02	
Maintenance of cars	202,096 95		Mail	83,483 05	
Maintenance of way	567,329 84		Express	44,949 60	
General expenses	111,436 88	$2,218,807 60	Telegraph	3,259 92	
Net earnings	—	**785,453 59**	Miscellaneous	35,503 06	$3,004,261 19
		$3,004,261 19			$3,004,261 19
To Accrued interest on bonds	—	$ 800,000 00	By Net earnings brought down	—	$ 785,453 59
Taxes accrued	—	66,780 92	Interest on bonds owned—		
Interest and exchange	—	8,076 89	St. L. S. W. Ry. Co. of Texas, First mortgage, $9,445,000.00 @ 4%	$ 377,800 00	
All other payments	—	8,585 51	Tyler Southeastern Ry. Co., First mortgage . $660,000.00 @ 4%	26,400 00	
Total debits	—	$ 883,443 32	Paragould Southeastern Ry. Co., First mortgage . . $25,000.00 @ 6%	1,500 00	405,700 00
Surplus income for fiscal year ended June 30th, 1896, carried to credit of profit and loss account	—	**312,107 91**	Sundry amounts	—	4,397 64
		$1,195,551 23	Total credits	—	$1,195,551 23

PROFIT AND LOSS ACCOUNT—JUNE 30TH, 1896.

To Proportion of discount on first mortgage certificates in Treasury sold	$ 32,076 57	By Balance to credit of profit and loss account at the beginning of current fiscal year, July 1st, 1895	$1,748,916 16
Balance to credit of profit and loss account, June 30th, 1896	**2,028,947 50**	Surplus income from operation for fiscal year ended June 30th, 1896, as per foregoing statement	312,107 91
	$2,061,024 07		$2,061,024 07

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ST. LOUIS SOUTHWESTERN RY. CO. — CONDENSED BALANCE SHEET. — JUNE 30TH, 1896.

ASSETS.		Total.	+ Increase, - Decrease, This year.
Cost of road and equipment		$47,043,955 15	+ $ 9,371 09
Construction accounts		21,530 95	—
Real estate		27,327 95	—
Investments in stocks and bonds—			
Capital stock St. L. S. W. Ry. Co. of Texas	$2,500,000 00		—
Capital stock Tyler Southeastern Ry. Co.	250,000 00		—
First mortgage bond St. L. S. W. Ry. Co. of Texas	9,445,000 00		—
Second mortgage income bond St. L. S. W. Ry. Co. of Texas	4,722,500 00		—
First mortgage bond Tyler Southeastern Ry. Co.	660,000 00		—
Second mortgage income bond Tyler Southeastern Ry. Co.	330,000 00		—
St. Louis Southwestern Ry. Co.:			
Capital Stock—			
Preferred $106,350 00			
Common 143,900 00			
1st mtg. certificates 140,000 00	390,250 00		- 216,365 20
Paragould Southeastern Ry. Co.—			
Capital stock . . $25,000 } Cost			
1st mtge. bonds . 25,000 } to Co.	25,000 00		—
First Mortgage Bonds Gulf and Ship Island Ry., par value $15,000, purchased for	1,500 00		—
		18,324,250 00	
Current assets, viz.:			
Cash	$ 84,590 89		+ 5,534 74
Sundry accounts collectible	142,468 39		+ 62,634 01
Advances to sundry agents	6,333 88		- 9,751 78
Prepaid insurance	1,436 30		- 418 23
	$234,829 46		—
Supplies on hand	219,510 19		+ 49,106 32
		454,339 65	
St. Louis Southwestern Ry. Co. of Texas, general account		1,763,095 78	+ 448,543 18
Tyler Southeastern Ry. Co., general account		112,670 06	+ 18,293 27
		$67,747,169 54	+ $366,947 40

LIABILITIES.		Total.	+ Increase, - Decrease. This year.
Capital Stock—			
Preferred	$20,000,000 00		
Common	16,500,000 00	$36,500,000 00	—
Funded debt—			
First mortgage bonds (4%)	$20,000,000 00		
Second mortgage income bonds (4%, if earned)	8,000,000 00	28,000,000 00	—
Equipment trust obligations		173,843 90	- $ 61,405 91
Deferred liabilities, viz.—			
Notes payable—due on stated dates after July 1st, 1896	$212,284 35		+ 197,284 35
Interest on bonds—accrued, not due until Nov. 1st, 1896	133,333 33		—
Taxes accrued year 1896—not due until 1897	33,000 00		+ 600 00
Hospital fund	3,295 72		+ 1,897 46
		381,913 40	
Current liabilities, viz.—			
Audited vouchers unpaid	$366,972 94		+ 87,748 44
Audited pay-rolls unpaid	127,426 80		- 11,808 28
Interest on bonds—due and unpaid (unpresented coupons)	38,560 00		- 1,900 00
Notes payable—due on demand	75,600 00		- 99,900 00
		608,559 74	
Miscellaneous accounts		53,905 00	- 25,600 00
Balance to credit of profit and loss account, June 30th, 1896, as per detailed exhibit on preceding page		2,023,947 50	+ 280,031 34
		$67,747,169 54	+ $366,947 40

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XII.

ST. LOUIS SOUTHWESTERN RY. CO. OF TEXAS. INCOME ACCOUNT. YEAR ENDED JUNE 30TH, 1896.

To EXPENSES—			By EARNINGS—		
Conducting transportation	$ 543,675 60		Freight	$1,237,127 54	
Motive power	440,201 38		Passenger	418,950 85	
Maintenance of cars	123,464 92		Mail	54,399 20	
Maintenance of way	495,251 71		Express	23,644 80	
General expenses	103,628 85	$1,706,222 46	Telegraph	3,006 69	
Net Earnings	—	47,541 99	Miscellaneous	16,635 37	$1,753,764 45
		$1,753,764 45			$1,753,764 45
To Accrued interest on bonds	—	$ 377,800 00	By Net earnings, brought down	—	$ 47,541 99
Taxes accrued	—	56,468 26	Sundry amounts	—	3,952 46
Interest and exchange	—	7,675 34			
All other payments	—	6,465 25	Total credits	—	$ 51,494 45
			Deficit for fiscal year ended June 30th, 1896, carried to debit of profit and loss account	—	396,914 40
Total debits	—	$ 448,408 85			$ 448,408 85

PROFIT AND LOSS ACCOUNT—JUNE 30TH, 1896.

To Balance to debit of profit and loss account, July 1st, 1895—	$1,081,115 05	*By Balance to debit of profit and loss account, June 30th, 1896*	$ 1,508,640 93
Deficit from operation for fiscal year ended June 30th, 1896, as per foregoing statement	396,914 40		
Proportion of discount on first mortgage certificates, St. L. S. W. Ry. sold	30,611 48		
	$1,508,640 93		$1,508,640 93

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XIII.

ST. LOUIS SOUTHWESTERN RY. CO. OF TEXAS. — CONDENSED BALANCE SHEET. — JUNE 30TH, 1896.

ASSETS.		Total.	+ Increase, − Decrease, This year.	LIABILITIES.		Total.	+ Increase, − Decrease, This year.
Cost of road and equipment		$17,156,784 08	+ $14,689 21	Capital stock—			
				Common		$2,500,000 00	—
Current assets, viz.:							
Cash	$ 65,753 77		− 11,399 29	Funded debt—			
Sundry accounts collectible	28,935 11		− 21,171 90	1st mortgage bonds (4%)	$ 9,445,000 00		
Prepaid insurance	769 64		− 661 50	2nd mortgage income bonds (4%, if earned)	4,722,500 00	14,167,500 00	—
	$ 95,458 52						
Supplies on hand	69,763 94		− 11,244 76				
		165,222 46					
Tyler Southeastern Ry. Co., general account		120,245 14	+ 77,073 44	Equipment trust obligations		185,248 70	− $ 50,001 11
				Deferred liabilities, viz.:			
Balance to debit of profit and loss account, June 30th, 1896, as per detailed exhibit on preceding page		1,568,640 93	+ 427,525 88	Notes payable—due on stated dates after July 1st, 1896	$ 100,130 65		+ 100,000 00
				Taxes accrued year 1896—not due until 1897	28,870 10	129,000 75	+ 2,197 89
				Current liabilities, viz.:			
				Audited vouchers unpaid	$ 70,366 74		− 716 07
				Audited pay-rolls unpaid	135,245 65	205,612 39	− 20,398 73
				Miscellaneous accounts		434 99	− 4,814 08
				St. Louis Southwestern Ry. Co., general account		1,763,095 78	+ 448,543 18
		$18,950,892 61	+ $474,811 08			$18,950,892 61	+ $474,811 08

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XIV.

TYLER SOUTHEASTERN RY. CO. — INCOME ACCOUNT. — YEAR ENDED JUNE 30TH, 1896.

To EXPENSES—			By EARNINGS—		
Conducting transportation	$ 65,698 34		Freight	$103,767 60	
Motive power	46,475 59		Passenger	32,873 75	
Maintenance of cars	18,955 69		Mail	5,326 64	
Maintenance of way	71,416 96		Express	3,405 60	
General expenses	4,797 90	$ 207,344 48	Telegraph	381 59	
			Miscellaneous	709 04	$ 146,464 22
			Deficit from operation	—	**60,880 26**
		$ 207,344 48			$ 207,344 48
To Deficit brought down	—	$ 60,880 26	By Sundry amounts	—	$ 226 60
Accrued interest on bonds	—	26,400 00			
Taxes accrued	—	5,302 79	Total credits	—	$ 226 60
Interest and exchange	—	432 74			
All other payments	—	254 38	*Deficit for fiscal year ended June 30th, 1896, carried to debit of profit and loss account*	—	**93,043 57**
Total debits	—	$ 93,270 17			$ 93,270 17

PROFIT AND LOSS ACCOUNT—JUNE 30TH, 1896.

To Balance to debit of profit and loss account July 1st, 1895	$ 136,501 14	*By Balance to debit of profit and loss account June 30th, 1896*	**$231,684 00**
Deficit from operation for fiscal year ended June 30th, 1896, as per foregoing statement	93,043 57		
Proportion of discount on first mortgage certificates St. Louis Southwestern Ry. sold	2,139 29		
	$ 231,684 00		$231,684 00

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XV.

TYLER SOUTHEASTERN RY. CO. — CONDENSED BALANCE SHEET. — JUNE 30TH, 1896.

ASSETS.	Total.	+ Increase, - Decrease, This year.	LIABILITIES.	Total.	+ Increase, - Decrease, This year.
Cost of road and equipment	$1,246,171 44	+ $ 481 32	Capital Stock—		
			Common	$ 250,000 00	—
Current Assets, viz.:			Funded debt—		
Prepaid insurance	60 76	- 11 47	1st mortgage bonds (4%) . $ 660,000 00		
			2nd mortgage income bonds (4%, if earned) 330,000 00	990,000 00	—
Balance to debit of profit and loss account June 30th, 1896, as per detailed exhibit on preceding page	231,684 80	+ 95,182 86	Miscellaneous accounts	5,001 00	+ $ 286 00
			St. Louis Southwestern Ry. Co., general account	112,670 06	+ 18,293 27
			St. Louis Southwestern Ry. Co. of Texas, general account	120,245 14	+ 77,073 44
	$1,477,916 20	+ $ 95,652 71		$1,477,916 20	+ $95,652 71

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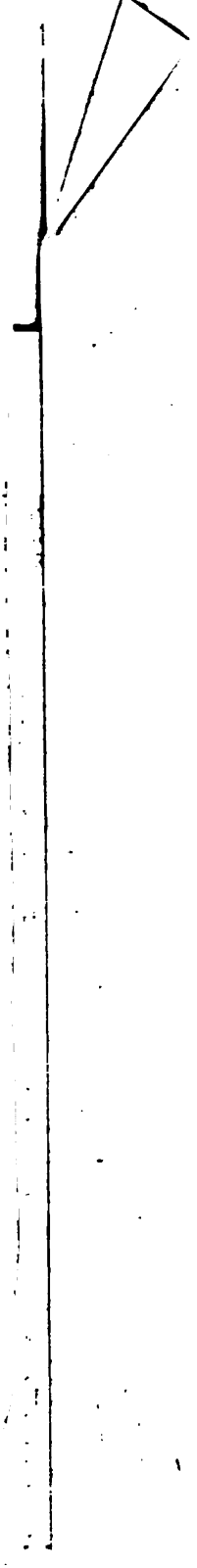

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